PREPARED BY: Christopher G. King, Senior Counsel, Duke Energy Corporation

Property No.: 114583
Land Unit: 1682312
Project No: 114583-870987

STATE OF NORTH CAROLINA

COUNTY OF BURKE

PUBLIC ACCESS AREA LEASE AGREEMENT

Fonta Flora Access Area
Lake James, FERC Catawba-Wateree
Project Number 2232

THIS LEASE is made and entered into by and between **DUKE ENERGY CAROLINAS, LLC**, a North Carolina limited liability company ("Lessor"), and **BURKE COUNTY**, a political subdivision of the State of North Carolina ("Lessee"); each may be referred to herein singularly as "Party" and collectively as "Parties".

W I T N E S S E T H:

WHEREAS, Lessor holds a license ("License") from the Federal Energy Regulatory Commission ("FERC") to operate the Catawba-Wateree Hydroelectric Project, FERC Project No. 2232 ("Project"), which impounds the waters of the Catawba River, including Lake James, Lake Rhodhiss, Lake Hickory, Lookout Shoals Lake, Lake Norman, Mountain Island Lake and Lake Wylie in North Carolina and including Fishing Creek Reservoir, Cedar Creek Reservoir, Great Falls Reservoir, Lake Wateree and Lake Wylie in South Carolina, and which Project is subject to regulatory oversight by the FERC; and

WHEREAS, Lessor owns that certain property described herein lying within and adjoining the bed of Lake James (the "Lake") in Burke County, North Carolina, which is part of the Project; and

WHEREAS, Lessee desires to lease a portion of said Project on the Lake for the purpose of constructing and maintaining a public park and/or public recreational area, containing 10.6± acres lying within and adjoining the Lake, as more particularly shown and attached hereto as **Exhibit A** and incorporated herein by reference (the "Leased Premises"), and as described in detail on the Site Plan entitled "Access Area Improvements," attached hereto as **Exhibit B-1** and incorporated herein by reference; and

WHEREAS, Lessor desires to construct a public park and/or public recreation area and Lessee desires to operate and maintain a public park and/or public recreation area provided such use does not interfere with Lessor's ability to operate and maintain the Project in accordance with the Catawba-Wateree Comprehensive Relicensing Agreement ("CRA"), the License, other FERC requirements, and its business operations; and

WHEREAS, Article 411 of the License for the Project grants Lessor (as the licensee of the Project) the authority to grant permission for certain types of use and occupancy of Project lands and waters and to convey

certain interests in Project lands and waters for certain types of use and occupancy as long as the proposed use and occupancy is consistent with the purposes of protecting and enhancing the scenic, recreational and environmental values of the Project.

NOW, THEREFORE, the Lessor, for and in consideration of the covenants and agreements hereinafter expressed to be kept and performed by Lessee, hereby leases to Lessee and Lessee hereby leases from Lessor, subject to the exceptions and reservations and upon the terms and conditions and for the purposes in this instrument set out, the Leased Premises.

1) Term: This Lease shall begin on the _____ day of _____, (the "Effective Date"), and shall expire at the end of the term of the License granted to Lessor by the FERC effective November 1, 2015 (including any extension periods of the License as may be granted by the FERC through annual licenses or otherwise, but not including the next new or subsequent license the FERC may issue after the expiration of the License), unless terminated sooner pursuant to Paragraphs 28, 29, 30, 31 or 32 of this Lease. Lessor may terminate this Lease at any time if directed to do so by the FERC or its successor agency having jurisdiction over hydroelectric reservoirs that are subject to the Federal Power Act or, if necessary, to comply with FERC requirements.

2) Warranties: In order to induce Lessor to enter into this Lease, Lessee warrants and represents that it has authority to enter into this Lease. Lessor represents that it has full and lawful authority to enter into this Lease for lands dedicated to public use by terms of the License for the Project issued by the FERC pursuant to the Federal Power Act.

a) Disclaimer of Warranties of Condition: Lessee accepts the Leased Premises "AS IS." Lessor makes no warranties or representations as to the conditions of the Leased Premises or any improvements thereon, whether open and obvious or concealed. Lessor makes no representation or warranty, express or implied, and will bear no responsibility as to the existing or future water quality or quantity in the Lake or its tributaries, or the sufficiency or suitability of the Leased Premises for use as a public park and/or public recreation area.

b) Assignment of Contractor and Vendor Warranties: Lessor agrees to Lessee's rights under all assignable contractor or vendor warranties relating in any way to any building, fixture or other improvement located on the Leased Premises, as permitted by the terms and conditions of contractor or vendor warranties.

3) Rent and/or Other Consideration; Taxes: The consideration flowing to Lessor for this Lease is the Lessee's assumption of responsibility for construction, maintenance and operation of present and future recreation facilities permitted under the terms of the License. Failure by Lessee to maintain and operate the permitted facilities and the Leased Premises to the standards reasonably required by the FERC, which standards are set forth in **Exhibit C** and lessor shall provide any updates thereto promptly to lessee, shall constitute a default under the terms of this Lease pursuant to Paragraph 29 herein. Should the FERC require additional public recreation facilities within the Leased Premises, Lessor and Lessee shall hold a meeting to discuss the requirement. The procedures set forth in Paragraph 6, Site Plan, shall be followed.

4) Permitted Uses: The Leased Premises may be used by Lessee for the development, maintenance and operation of a public park and/or public recreation area and for no other purpose unless it is a compatible use, such as the provision of recreation-related goods and services, which may be permitted on site when authorized

in advance in writing by Lessor. Any public park and/or public recreation area may include, but is not limited to, the following types of area development:

a) All uses shown in **Exhibit B-1** as well as Public Park or Recreation Areas –
   i) Areas that have developed recreational facilities, such as picnic tables, picnic pavilions, swimming beaches, bath houses, restrooms, campgrounds, concessions, waste pump out facilities, challenge courses, maintenance and related structures or facilities that directly support park operations and maintenance, and other related facilities or amenities; and
   ii) Recreation uses such as picnicking, tent camping, hiking, wildlife viewing, boating, fishing, swimming, and other related outdoor activities.
b) Access and/or Trail Areas – areas that enable water access via canoe / kayak launches, or land access via pedestrian trails.
c) Nature Preserve/Research Areas – areas that provide land for and promote the development of cooperative partnerships to enable preservation activities, conservation easements and/or research and education.

5) Public Use of Facilities: Use of any and all public park and/or public recreation area facilities, including such public service/convenience facilities as restrooms, water faucets, public communications equipment, trash receptacles, etc., constructed or placed on the Leased Premises by the Lessee will be open to use by boaters, bank fishing persons and all other public recreation users of the public recreation facilities, during the times and for the applicable fees stipulated in **Exhibit B-2**. Bank fishing shall be allowed at the access area for no charge. Lessee shall allow public boat launching at the required public boating access areas free of charge, except where fees have been agreed upon with Lessor.

6) Site Plan: The Site Plan, attached hereto as **Exhibit B-1**, shall be implemented by Lessor. Any changes to the Site Plan after initial site development require prior written approval of Lessor. Additions to, modifications or removal of any facilities will require the submittal to Lessor of detailed plans, including but not limited to, construction plans and elevation drawings. Major additions, modifications or removal may require review by other entities and may require FERC approval, as provided in Article 411 of the License and the FERC-approved Catawba-Wateree Recreation Management Plan.

If, as part of this Lease, Lessor approves construction of new facilities, such facilities must be constructed within the timelines defined with approval of new facilities. A one (1) year or other appropriate time extension may be considered if the Lessee files a written request with Lessor at least 60 days prior to the construction deadline for any specific facility or facilities, setting forth the reasons why the facility or facilities will not be completed within the allotted timeframe. If an extension of time to complete construction of the facilities is granted by Lessor, additional requirements may be required of Lessee to meet revised regulations or shoreline development guidelines.

Should FERC require additional recreation facilities to be located at the Leased Premises, Lessor will contact Lessee and arrange a meeting to discuss the required additional recreation facilities. At the meeting the specifics of what facilities must be added, where the facilities can be added, an estimated cost for adding the facilities, and the timing of adding additional facilities should be determined. Lessor and Lessee will then evaluate their available resources to determine how and when the required additional recreation facilities will be constructed, and if those resources will be in dollars, 'in-kind' services or a combination thereof. A revised site plan will be developed based on the results of the meeting. Once Lessor and Lessee are in agreement with the revised plan, at Lessor's option, Lessor and Lessee shall enter into a revised lease or amendment to lease.

7) User Fees and Hours of Operation: Lessee agrees that Lessor's employees, third-party contractor employees, federal, state and local law enforcement, environmental, public health and emergency response crews operating in his/her official capacity will be exempt from user fees. Any proposed changes in the schedule of fees or hours of operation by Lessee must be submitted in writing to Lessor at least sixty (60) days prior to proposed implementation and must be approved in writing by Lessor prior to implementation. Contracts or leases between Lessee and third parties regarding the sale of goods or services on the Leased Premises must be submitted to Lessor at least sixty (60) days prior to proposed implementation; and must not be executed until Lessee receives written approval from Lessor. Lessee agrees that user fees as well as any proceeds it collects from third-party contracts or leases associated with the Leased Premises will be used exclusively to:

a) offset Lessee's costs of operation, maintenance, and capital improvements of the Leased Premises or other public recreation facilities for which Lessee is responsible that are also within or adjoining the Project Boundary or within or adjoining a free-flowing section of the Catawba or Wateree rivers, or
b) offset Lessee's cost of improving its own public recreation department in specific areas that benefit public recreation users of the Project or the aforementioned free-flowing section of the Catawba or Wateree rivers.

Lessee agrees to submit an annual report providing information including but not limited to the number of users, user fees collected and disposition of user fees to document compliance for requirements of this Paragraph 7 and to assist Lessor in its reporting on shoreline activities and planning efforts to the FERC.

8) Joint Annual Inspection: Lessor and Lessee will perform a joint annual physical inspection of the Leased Premises each year for the term of this Lease to ensure the Leased Premises are being maintained in a safe manner compliant with the Lease and with FERC requirements, and to the maintenance levels mutually acceptable to Lessor and Lessee.

9) Entry by Lessor: Lessor, its agents and representatives, at all reasonable times may enter the Leased Premises to examine same, and any such entry by or on behalf of Lessor shall not be or constitute an eviction, partial eviction or deprivation of any right of Lessee and shall not alter the obligations of the Lessee hereunder or create any right in Lessee adverse to the interest of the Lessor. In the event that Lessee is temporarily unable to operate the recreation facilities, Lessor shall have the right to enter the Leased Premises and operate the recreation facilities until such time as Lessee is able to resume operation. Any such entry by or on behalf of Lessor for temporary operation shall not be or constitute an eviction, partial eviction or deprivation of any right of Lessee and shall not alter the obligations of the Lessee hereunder or create any right in Lessee adverse to the interest of the Lessor.

10) Maintenance: Lessee recognizes it has the continuing responsibility to ensure the constructed and placed facilities are maintained in good repair, including, but not limited to, maintenance of those facilities in the Site Plan as shown in that aerial depiction entitled, "Maintenance Responsibility Area," and attached hereto and incorporated herein by reference as **Exhibit B-3**, and proper erosion control within the Leased Premises and along the shoreline, and agrees to take all reasonable steps necessary to meet this responsibility. Except for facilities specifically designated in this Lease to be maintained by other entities, Lessee is to maintain all structures and improvements within the Leased Premises in a sound condition and in neat appearance and pay all costs for said maintenance. In the event Lessee fails to properly maintain all buildings and improvements or Lessee fails to

obtain budgetary appropriations for the maintenance of the Leased Premises, then Lessor may terminate this Lease and retake possession of the Leased Premises, as set forth in Paragraphs 29 and 30.

Lessor has entered into the Duke Energy Catawba-Wateree Public Access Area Agreement with the North Carolina Wildlife Resources Commission (NCWRC), attached hereto as Exhibit D for the maintenance of certain portions of established public access areas including the Leased Premises and for the provision of additional public recreation facilities within such areas. Lessee understands and agrees that Lessee shall not have exclusive control of the Leased Premises and shall coordinate with Lessor and NCWRC for the operation and maintenance of the Leased Premises.

Notwithstanding the foregoing, Parties agree that maintenance responsibilities for the access road (Eagles Nest Way) serving the Leased Premises shall be allocated as follows:

a) Routine Maintenance: Lessee shall be responsible for routine, day-to-day maintenance activities associated with the access road, including but not limited to mowing, trash and debris removal, trimming or clearing vegetation for sight distance and access, and other minor maintenance necessary to keep the road safely passable for public use.
b) Major Maintenance and Capital Improvements: Lessor shall be responsible for major maintenance and capital improvements to the access road, including but not limited to resurfacing, structural repairs, subsurface failures, drainage failures associated with the roadway structure, or other significant rehabilitation or replacement work.
c) Transfer to North Carolina Department of Transportation (NCDOT): Parties acknowledge that the NCDOT may, in the future, assume maintenance responsibility for the access road. In the event such transfer occurs, maintenance responsibilities shall be adjusted accordingly upon written confirmation or agreement by the Parties. Until such time, the maintenance responsibilities set forth in the Paragraph shall remain in effect.

11) Signage: Lessor will provide to Lessee all information required for signage at the entrance to boat access ramps or other signage as required by the License. Lessee shall erect the signs within 30 days of receipt of said information and maintain the signs during the term of this Lease.

12) Improvements: Lessee shall have the right, but not the obligation, at its own expense to make additions or modifications to those facilities and improvements existing upon the Leased Premises. However, Lessee shall submit to Lessor for Lessor's review detailed plans, including but not limited to construction plans and elevation drawings of all proposed material alterations or improvements and receive the written approval of Lessor prior to initiating work on proposed alterations or improvements. Dependent on the scope and substance of the proposed alterations or improvements, modification of the Site Plan may be required. Additionally, certain substantive changes may require the approval of applicable local, state and federal agencies prior to submittal of the request to Lessor and in certain situations Lessor will need to submit Lessee's application to the FERC for approval, prior to issuance of approval by Lessor.

13) Illegal and Prohibited Uses: Lessee shall not make or permit to be made any illegal or prohibited use of the Leased Premises or any use thereof constituting a public nuisance and shall keep the Leased Premises in a neat and orderly manner and shall comply with all applicable building codes and health regulations and with the rules and regulations of any and all applicable governmental authorities. All water and sanitary sewer facilities shall be designed, installed, constructed, maintained and operated only with the approval of the applicable

governmental authority, provided that Lessee shall be responsible for the initial construction thereof. Prohibited uses under the terms of the Lease include but are not limited to the following:

a) Sale of alcoholic beverages or drugs;
b) Gambling (e.g., installation of video gaming machines that pay off, etc.);
c) Creation or installation of firearm or shooting ranges;
d) Charging excessive fees;
e) Establishing predetermined user groups that use specific facilities; and
f) Excluding any user on the basis of age, sex, race, color, religion, national origin, handicap/disability, or familial status.

14) Fire Protection: In the event of a fire within or threatening the lands or facilities of any park or recreation area which is a part of this Lease, Lessee agrees to assist Lessor with the protection of the park or recreation area against such fire.

15) Leased Premises Subject to FERC Oversight: Lessee agrees its use of the Leased Premises will comply with FERC Order No. 313, attached hereto as **Exhibit C**, and all regulations or directives issued by the FERC. Lessee's use of the aforesaid lands will not endanger health or safety, create a nuisance or otherwise be incompatible with the overall recreational use of the Project. Failure by Lessee to maintain and operate the recreation facilities and the Leased Premises to the standards reasonably required by the FERC shall constitute a default under the terms of this Lease pursuant to Paragraph 29. If the Lessee becomes temporarily unable to operate FERC-required recreation facilities, the Lessor retains the right to enter the Leased Premises and operate, or arrange for the operation of, the recreation facilities in accordance with the FERC-approved Catawba-Wateree License and Recreation Management Plan. Lessee must obtain written approval from Lessor to take out of service any recreation facility located within the Leased Premises, for any period of time other than as required for routine maintenance.

16) Compliance with State, Federal and Local Laws: Lessee agrees that its use of the Leased Premises as herein provided shall be consistent with all applicable state, federal and local laws as well as all ordinances, rules, regulations and sanctions of any regulatory body or governmental agency (state, federal or local) having jurisdiction in the Leased Premises, and Lessee's use of the Leased Premises shall comply with all applicable requirements of Lessor's Recreation Management Plan, Shoreline Management Guidelines, and the Shoreline Management Plan, copies of which, together with subsequent amendments thereto, shall be provided to Lessee. Upon request by Lessor, Lessee shall re-enter the Leased Premises at any time after the termination or expiration of this Lease and perform such operations necessary for compliance with then applicable law, ordinances or regulations at the termination date. Lessee shall be relieved of any responsibility for compliance under the re-entry requirement of this Paragraph 16 if during the Lease term, Lessor causes noncompliance by changing conditions upon the Leased Premises, including but not limited to, land use pattern, or causing or allowing any third party to do so.

17) Protection of Environment: All necessary precautions shall be taken during construction and subsequent operation and maintenance of the facilities to protect and enhance the scenic, environmental, recreational, water supply and cultural values of any affected lands and waters of the Project. Lessee shall comply with all applicable federal, state, and local regulations, including but not limited to vegetative buffer requirements along shorelines and waterways. Lessee shall make every reasonable effort to preserve existing trees and native vegetation within the Leased Premises. Clear-cutting or removal of large contiguous areas of trees and vegetation

is expressly prohibited and vegetation disturbance and/or removal shall only be permitted where necessary for safety, access, or approved construction, and only with prior written approval of Lessor.

Prior to any land-disturbing activities, Lessee shall submit a vegetation management plan to Lessor for review and approval. This plan must identify all trees and vegetation proposed for removal and demonstrate how disturbance will be minimized and the natural character of the site maintained. Any unauthorized removal of trees or vegetation shall require the submittal of a revegetation plan by Lessee and implementation of such plan at Lessee's sole cost.

18) Archaeological Resources: Lessee shall comply with the cultural resources consultation requirements specified in Lessor's Historic Properties Management Plan for the Project regarding any ground-disturbing activities, inadvertent discoveries, treatment of human remains and funerary objects or significant modifications to the leased facilities and lands. If any archaeological resources are discovered during construction or maintenance activities, such activities shall be halted and the State Historic Preservation Officer shall be contacted to determine what measures, if any, are needed to protect or salvage the resources and the Lessor shall be notified. Written notice shall be given to Lessor and all other appropriate agencies of any such discovery and the measures being implemented, if any are required.

19) Utility Easement: Lessor for itself, successors and assigns, reserves an easement to build, construct, maintain and operate electric distribution/transmission lines on, over, under, along and above the Leased Premises. Lessor also reserves the right, privilege and easement to erect, construct, reconstruct, replace, maintain and use towers, poles, wires, crossarms and other appliances and fixtures for the purpose of transmitting or distributing electric power, for Lessor's communication purposes, and for any other purpose that is, in Lessor's sole discretion, consistent with its business operations, together with the right to keep said lines, appliances, and fixtures free of structures, trees and other objects that may endanger or interfere with same. Lessor will notify and consult with the Lessee as to the plans for the construction of any buildings or structures to be placed within the Leased Premises, necessary to conduct Lessor's business.

20) Reservation of Use: The right to use Leased Premises for Project purposes (not inconsistent with the activities and purposes of this Lease) is hereby reserved to Lessor, its successors and assigns.

21) Reservation of Authority: No terms or conditions herein contained shall be construed as limiting or affecting in any way the authority of Lessor in connection with its exercise of proper protection and administration of the Public Access Areas or its License.

22) Response to Increase in Recreation Use: Lessor will in good faith, for the included lakes aforementioned in the Project, endeavor to accommodate future increases in public recreation use of the lakes by arranging for the designation of lands for recreation use that are or may become available for such purposes and when such land areas are consistent with the Shoreline Management Plan, the Recreation Management Plan and/or the operation of Lessor's business.

23) FERC License and CRA Conflicts: This Lease is subject to the terms and conditions of the License for the Project and the CRA. In the event of any conflict between the terms and conditions of this Lease and the terms of the License or CRA, it is agreed that the terms of the License or CRA, respectively, shall prevail.

24) Transfer or Assignment: The Lessee may not transfer or assign this Lease or let or sublet the whole or any part of the Leased Premises to anyone without the prior written consent of the Lessor.

25) Indemnity: Lessee will indemnify and save harmless Lessor, its successors and assigns, from and against any and all claims arising from any conduct, management, operation, work or thing done in or about the Leased Premises or any building, structure or equipment thereon during the term of this Lease or arising from any act or failure to act by Lessee, its agents, contractors, employees or sublessees, or arising from any accident, injury or damage whatsoever, however caused, to any person or persons or to the property of any person, persons, corporation or corporations during the term of this Lease on, in or about the Leased Premises and from and against all costs, counsel fees, expenses, liabilities and damages incurred in or about such claims or any action or proceeding brought thereon, and in case any action or proceeding be brought against Lessor, its successors or assigns, by reason of any such claim, Lessee, on notice from Lessor, shall resist and defend such action or proceeding by counsel satisfactory to Lessor.

Lessee hereby waives all claims against Lessor for damages to the improvements and other property that are now or hereafter placed or built on the Leased Premises caused by or resulting from intermittent flooding or drawdown of the waters of the Lake.

26) Insurance by Lessee: Lessee agrees that, at its own cost and expense, it shall obtain and maintain in force during the term of this Lease the following insurance coverage and minimum insurance limits:

a) Commercial General liability insurance from a reputable insurance company authorized to do business in North Carolina, providing coverage for any and all risks of liability associated with Lessee's occupancy and use of the Leased Premises and the activities authorized hereunder, with limits of at least $2,000,000 per occurrence.
b) Workers' Compensation
c) Employers' Liability Insurance of not less than $1,000,000 each accident.
d) Automobile Liability Insurance of not less than $1,000,000 each occurrence.

Lessee must meet the following additional insurance-related requirements:

i. Insurance coverage must be from the State Insurance Reserve Fund, or where applicable and authorized, with insurance companies with a minimum A.M. Best Rating of A-VII.
ii. Lessee shall deliver to Lessor certificates of insurance prior to the beginning of the Lease and within 30 days of each insurance renewal. The certificates of insurance shall list the coverages and limits, the expiration dates and terms of policies and all endorsements whether or not required by Lessor, and listing all carriers issuing said policies. Lessor shall not be obligated to review any of Lessee's certificates of insurance, insurance policies and/or endorsements or advise Lessee of any deficiencies in such documents, and any receipt of copies or review by Lessor shall not relieve Lessee from or be deemed a waiver of Lessor's right to insist on strict fulfillment of Lessee's obligations.
iii. Lessee shall name Lessor as an additional insured, using Insurance Services Office, Inc. (ISO) additional insured (CG 20 10) or equivalent, under all required policies of liability insurance. (Except Worker's Compensation Insurance). All policies shall include waivers of any right of subrogation of the insurers using standard ISO forms. The certificate(s) of insurance shall specifically confirm the "waiver of subrogation" and "additional insured" obligations.
iv. All insurance policies shall each contain a provision that coverage will not be cancelled, not renewed or materially modified unless at least thirty (30) days' prior written notice has been given

but, in any event, if Lessee becomes aware of any such cancellation, reduction in coverage or non-renewal, Lessee shall provide written notice to Lessor of such action within ten (10) days of receipt of notice of any such action from its carrier. All policies of insurance required shall be endorsed or shall otherwise provide that Lessee's insurance shall be primary with respect to their own acts or omissions and not be in excess of, or contributing with, any insurance maintained by Lessor. Lessee will be responsible for their own respective deductibles, self-insured retentions, and self-insurance under its insurance program.

v. Should Lessee fail to provide or maintain any required insurance, Lessor shall have the right, but not the obligation, to provide or maintain any such insurance, and to invoice the cost to Lessee whereupon Lessee shall reimburse Lessor annually within forty-five (45) days following the request for payment.

vi. Upon Lessee's contracting with an entity for the purpose of constructing any facilities on the Leased Premises, Lessor shall be named as an additional insured on a policy of insurance covering the scope of such activity prior to the commencement of any activity by Lessee, its agents or contractors. All policies shall include waivers of any right of subrogation of the insurers using standard ISO forms. Any contractor or subcontractor performing work on property that is the subject of this Lease shall have in place prior to commencement of any activity and during the performance of any activity, the following types of insurance and minimum coverage limits:

- Commercial General Liability Coverage – $2 million per occurrence.
- Workers Compensation – Within statutory limits.
- Employer's Liability – $1 million each accident.
- Automobile Liability – $1 million per occurrence.

27) Hazard Insurance: Lessee shall also, at all times during the term of this Lease, keep all improvements which are now or hereafter a part of the Leased Premises insured against loss or damage by fire and the extended coverage hazards for one hundred percent (100%) of the full replacement value of such improvements of like kind and quality. Any loss adjustment shall require the written consent of both Lessor and Lessee. In the event any improvements upon the Leased Premises shall be damaged or destroyed by fire or other casualty, then Lessee shall promptly restore same to the condition existing before such loss or damage.

28) Hazardous Materials: The following items are to be implemented by the Lessee for the Leased Premises:

a) Lessee shall not bring to or handle, store, dispense, transport or locate on or about the Leased Premises any chemical substances, oil, gasoline, other petroleum products, formaldehyde, PCBs, or any toxic, carcinogenic, radioactive or hazardous wastes, materials, substances or contaminants (known collectively "Hazardous Materials") for purposes other than construction, maintenance or repair of the recreation facilities, without Lessor's prior written authorization. Notwithstanding the foregoing, Lessee shall not bring to or handle, store, dispense, transport or locate on or about the Leased Premises any materials that contain asbestos, methylene chloride, or hexavalent chromium. For primers or coatings suspected of containing lead, Lessee shall ensure the lead content of such products or materials is no more than the current Consumer Product Safety Commission threshold.

b) While handling, transporting or storing any Hazardous Materials on or about the Leased Premises, Lessee shall act in full compliance with all applicable federal, state and local laws, ordinances and regulations.

c) Lessee shall give Lessor immediate written notice of any problem, spill, discharge or threatened discharge of or relating to Hazardous Materials on or about the Leased Premises, and of any private or governmental investigation relating to Hazardous Materials on or about the Leased Premises. Lessor shall have the right to participate in and approve any environmental assessment or environmental clean-up plan for the Leased Premises. Lessee, its employees, agents and contractors, shall fully cooperate with any and all federal, state and local government officials having jurisdiction over the Leased Premises in resolving any environmental problem.

d) Lessee's failure to comply strictly with the provisions and mandates of this Paragraph 27 shall constitute a breach of this Lease, entitling Lessor to terminate this Lease and to exercise any other rights and remedies available to Lessor hereunder or otherwise.

29) Events of Default; Termination:

a) The following events shall be deemed to be events of default by Lessee under this Lease (each singularly referred to herein as an "Event of Default"):

i) If Lessee fails to comply with any term, provision or covenant of this Lease other than the payment of any sum of money, and shall not cure such failure within sixty (60) days after due written notice thereof to Lessee; provided, however, if Lessor, in its reasonable discretion, determines that such failure cannot be cured within sixty (60) days, Lessee shall be in default under this Lease if Lessee fails to commence to cure such failure within the same sixty (60) day period or thereafter fails to act to diligently and promptly cure such failure; or

ii) If Lessee voluntarily discontinues or voluntarily ceases to use the Leased Premises and the improvements for the permitted use or closes its operations on the Leased Premises for any period greater than ninety (90) days; or

iii) If Lessee fails to satisfy the timelines established in the Site Plan or if an extension is granted by Lessor, Lessee fails to meet the extended timeline and any requirements set by Lessor as a condition of the extension, and fails to notify Lessor and follow the requirements as set out in this Lease; or

iv) Any other event of default as specifically addressed in the paragraphs contained herein.

b) Upon the occurrence of an Event of Default hereunder, Lessor shall be entitled to pursue any one or more of the following remedies without notice or demand:

i) Terminate this Lease and Lessee's right of possession of the Leased Premises in which event Lessee shall immediately surrender the Leased Premises to Lessor, and if Lessee fails to do so, Lessor may, without prejudice to any other remedy which it may have for such Event of Default, enter upon and take possession of the Leased Premises, and expel or remove Lessee and any other person or entity who may be occupying the Leased Premises or any part thereof, by force, if necessary, without being liable for prosecution or any claim for damages therefore;

ii) Without having terminated this Lease, terminate Lessee's right of possession of the Leased Premises, by force, if necessary, without being liable for prosecution of any claim for damages therefore, and perform Lessee's obligations under this Lease, and Lessee shall reimburse Lessor upon demand for any expenses which Lessor may incur in effecting compliance with the terms of the Lease and Lessor shall not be liable for any damages resulting to Lessee from such actions;

iii) Bring suit for the collection of any amounts for which Lessee is then in default, or for the performance of any other covenant or lease by which Lessee is bound, with or without entering into possession or terminating this Lease.

c) In the event Lessor elects to terminate this Lease by reason of the occurrence of an Event of Default, this Lease shall terminate and come to an end as if that were the date originally fixed herein for the expiration of the term hereof. Notwithstanding such termination, Lessee shall be liable for and shall pay to Lessor all indebtedness accrued hereunder to the date of such termination.

d) In case of any Event of Default or breach by Lessee, Lessee shall also be liable for the costs of removing and storing Lessee's or any other occupant's personal property and all expenses incurred by Lessor in enforcing or defending Lessor's rights and/or remedies, including reasonable attorneys' fees.

Lessee acknowledges that, upon the termination of this Lease by Lessor upon an Event of Default or termination by the Lessee, the FERC has authority to reclassify non-Project recreation facilities permitted by this Lease (as identified on **Exhibit B-1**) as Project facilities and to require the Lessor to operate and maintain all recreation facilities. In such event, all buildings, improvements, fixtures and other items of real property shall become the property of the Lessor. At the option of Lessor, Lessee shall remove all personal property of Lessee located upon the Leased Premises. If Lessee shall not have removed its personal property within thirty (30) days of the termination or expiration of the Lease as directed by Lessor, Lessor may at its option retain and use any portion of same or remove and dispose of any portion of same without liability to Lessor and shall be reimbursed by Lessee for its cost thereof.

30) Termination for Lack of Funding: Notwithstanding any other provision of this Lease, it is understood and agreed by and between the Parties that in the event Lessee is unable to obtain funding by appropriation or otherwise to operate and maintain the recreational facilities herein provided beyond the end of any then-current State fiscal year and so notifies Lessor thereof within sixty (60) days of the final approval of Lessee's appropriations for that coming fiscal year, this Lease shall be considered canceled. Such cancellation shall cause the Lease to terminate as if that was the date originally affixed herein for the expiration of the term hereof and shall not constitute an "Event of Default" as defined herein. Notwithstanding such cancellation, Lessee shall be liable for and shall pay to Lessor all indebtedness accrued hereunder to the date of such cancellation. Lessee agrees to utilize its best efforts throughout the term of this Lease to obtain adequate appropriations or other funding to accomplish the purposes of this Lease.

31) Surrender of Lease: The voluntary or other surrender of this Lease by Lessee, or a mutual cancellation thereof, shall not work a merger and shall, at the option of Lessor, terminate all or any existing subleases or sub tenancies, or may at the option of Lessor, operate as an assignment to it of any or all such subleases or sub tenancies.

32) Condemnation: If the whole or any part of the Leased Premises is taken or condemned by any competent authority for any public use or purpose, then this Lease shall automatically terminate as to the portion taken as of the date said title shall be taken. If a portion of the Leased Premises shall be taken so as to render the remainder thereof unusable for the purposes for which the Leased Premises were leased, then this Lease shall terminate as of the date said title shall be taken. In the event that any portion of the Leased Premises shall be taken or this Lease shall be terminated as a result of a taking of the whole or a portion of the Leased Premises, Lessee shall have no claim against Lessor for the value of any unexpired portion of the Lease term. Lessor shall

be entitled to the entire award given, including any special damages, except that, as to any portion of payment received by way of just compensation which is attributable to the value, if any, of any capital improvements, taken or damaged, Lessee shall be entitled to receive a pro-rata share thereof based on the percentage that its funding contribution therein bears to the total capital costs thereof. In the event that either Party should disagree with the valuation given within any award to any improvements taken or damaged, or be unable to agree between themselves as to such value, the Parties agree to arbitrate such question of valuation and to apportion their award so as to separately set forth the contributing value, if any, of each improvement taken or damaged.

33) Severability: The provisions hereof are independent covenants and should any provision or provisions contained in this Lease be declared by a court or other tribunal of competent jurisdiction to be void, unenforceable or illegal, then such provision or provisions shall be severable and the remaining provisions hereof shall remain at Lessor's option in full force and effect.

34) Flooding and Drawdown: Lessor reserves the right to back, flood, and draw down the waters of the Catawba River and its tributaries from time to time and at any and all times over and upon the Leased Premises or any portion of the same, to such extent the flooding or drawdown may be necessary or convenient in connection with the practical operation of its hydroelectric or other electric generation power plants located or to be located in the future upon the Catawba River and its tributaries and to the extent such flooding or drawdown is consistent with Lessor's obligations under its License, other applicable agreements, and applicable law. Lessee agrees that any damage it may suffer as a result of such flooding or drawdown shall not be claimed or charged against Lessor.

35) FERC Project Restoration: Lessor shall be under no obligation to Lessee to maintain or continue to operate the Lake or the Project and should said Lake or Project be damaged, destroyed or removed, the Lessor shall be under no obligation to restore or rebuild same, and Lessee hereby waives all claims against Lessor for damages to or destruction or removal of the Project.

36) Parties Bound: The covenants and conditions herein contained shall, subject to the provisions as to assignment, transfer and subletting, apply to and bind the heirs, successors, executors, administrators and assigns of all the Parties hereto; provided, however, that neither this Lease nor any provisions therein may be assigned by Lessee except with the prior written consent of the Lessor.

37) Survival: Provisions of this Lease for Compliance with Laws (Paragraph 16), Termination (Paragraph 29) and Survival (Paragraph 37) shall survive the termination or cancellation of this Lease and shall remain in effect.

38) Notices: Wherever in the Lease it shall be required or permitted that notice be given by either Party to this Lease to the other, such notices must be in writing and must be given personally or forwarded by certified mail addressed as follows:

To Lessor: Duke Energy Carolinas, LLC
General Manager,
Water Strategy, Hydro Licensing and Lake Services – DEP 35B
525 South Tryon Street
Charlotte, NC 28202

With copy to: Duke Energy Carolinas, LLC

Attn: Lease Administrator
525 South Tryon Street, DEP 21
Charlotte, North Carolina 28202

To Lessee: Burke County, North Carolina
Attn: Deputy County Manager, Community Development
P.O. Box 219
Morganton, NC 28680

Such addresses may be changed from time to time by notice given hereunder.

39) Recordation: In no event shall this Lease be recorded in any Public Registry or other public records by Lessee or on Lessee's behalf. Violation of the provisions in the immediately preceding sentence shall entitle Lessor to terminate the lease rights granted herein. Lessor and Lessee acknowledge and agree Lessor shall record a Memorandum of Lease in the Public Registry in the county where the Leased Premises is located, and Lessor shall provide Lessee with a recorded copy of said Memorandum of Lease.

40) Existing Lease Amended and Superseded: Beginning on the Effective Date, this Lease shall amend, restate, replace and supersede all previous leases or other agreements, except the CRA, between Lessor and Lessee, or their respective predecessors in interest, for the use of the Leased Premises or any portion thereof, and such prior leases or other agreements are of no further force or effect.

SIGNATURE PAGES TO FOLLOW

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed by their duly authorized officials this the day and year first above written.

LESSOR:

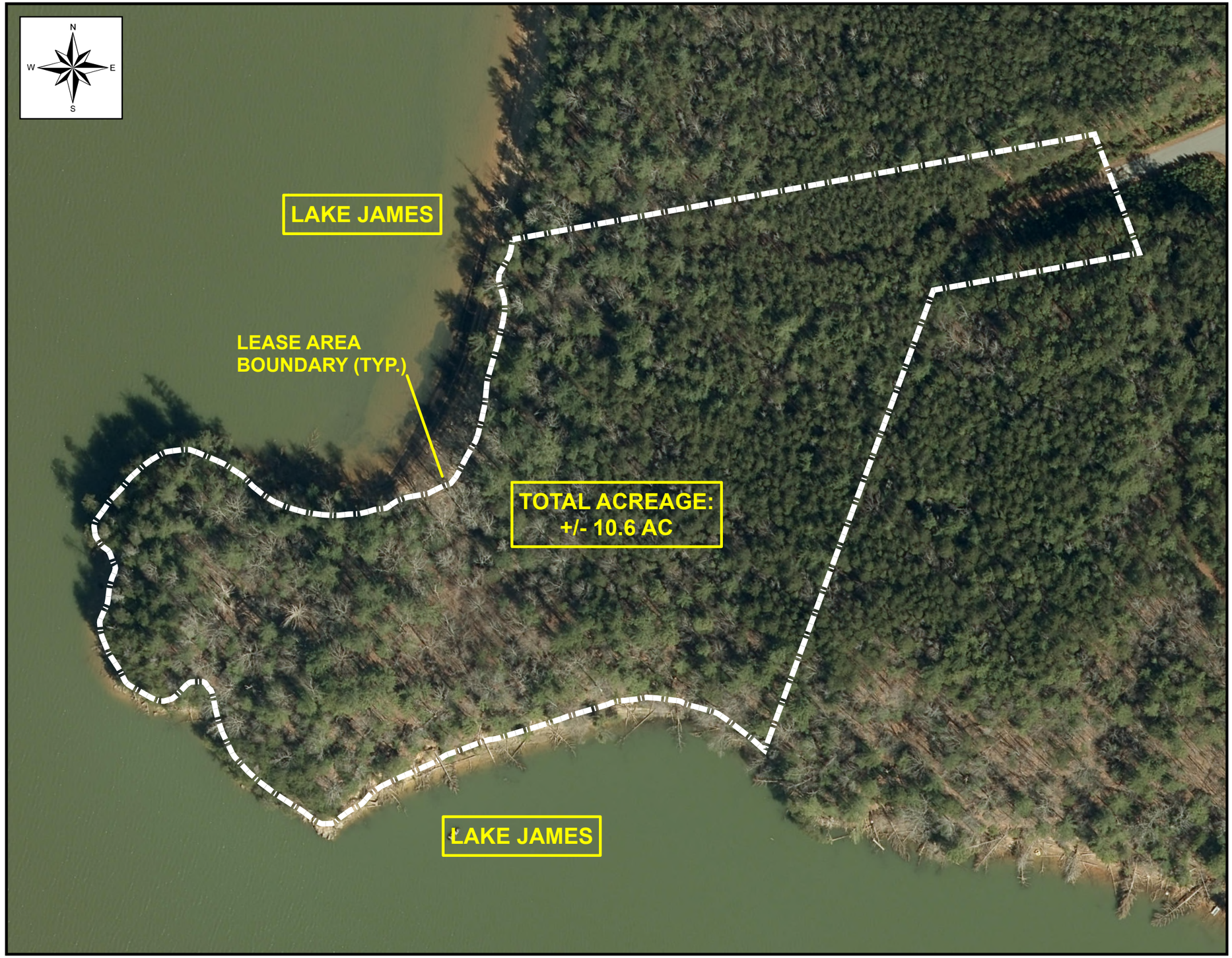
DUKE ENERGY CAROLINAS, LLC
a North Carolina limited liability company

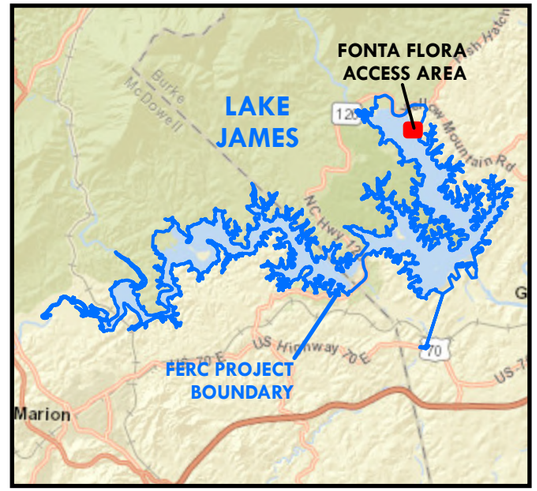
By: _____
Print Name: _____
Title: _____

LESSEE:

BURKE COUNTY, NC
a political subdivision of the State of North Carolina

By: _____
Print Name: _____
Title: _____





NOTES:

EXHIBIT FOR ILLUSTRATIVE PURPOSES ONLY AND NOT TO BE USED FOR CONSTRUCTION OR DESIGN WORK.

ROADWAY RIGHT-OF-WAYS ARE NOT TO BE INCLUDED IN LEASE.

DUKE ENERGY®

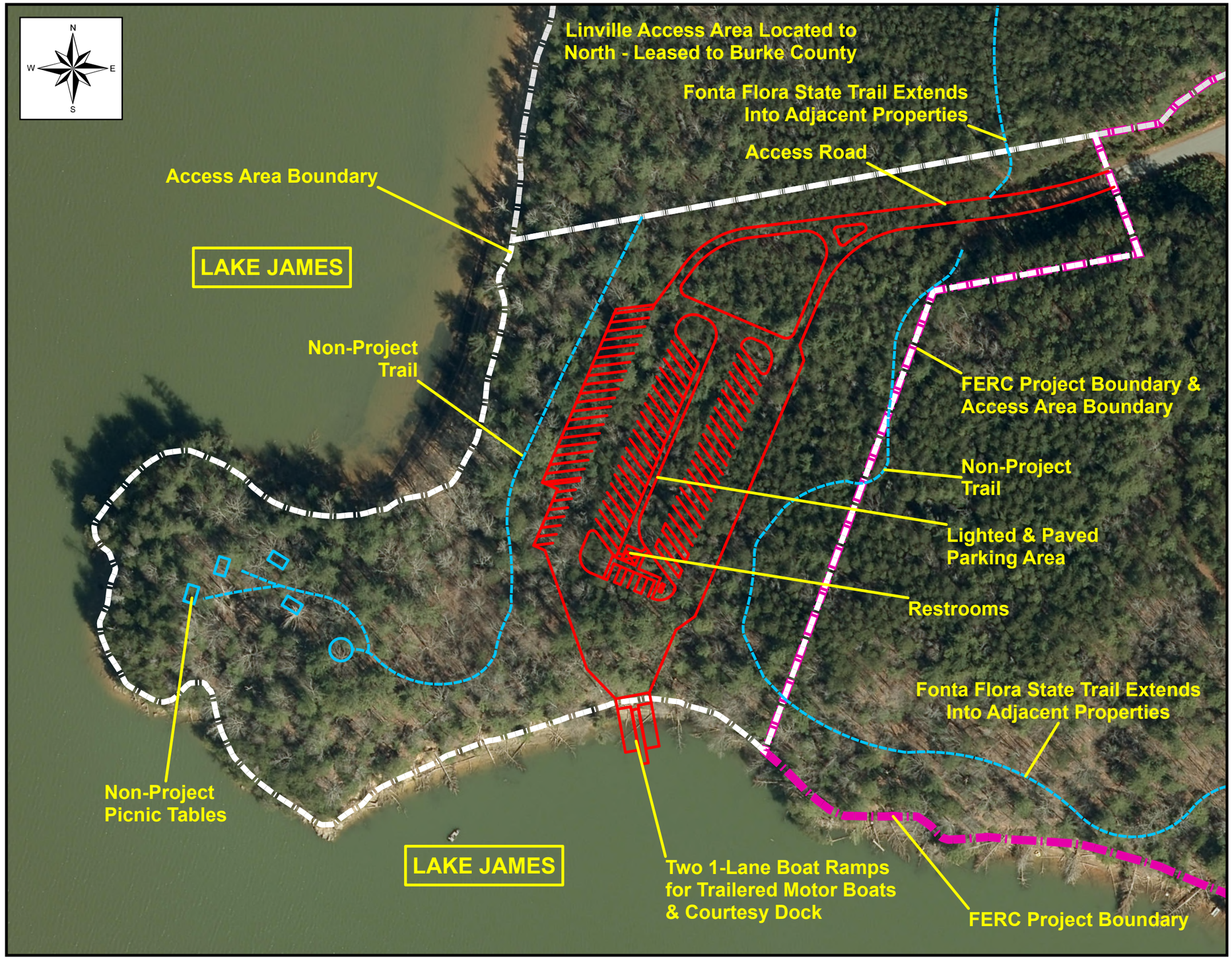
LEASED PREMISES

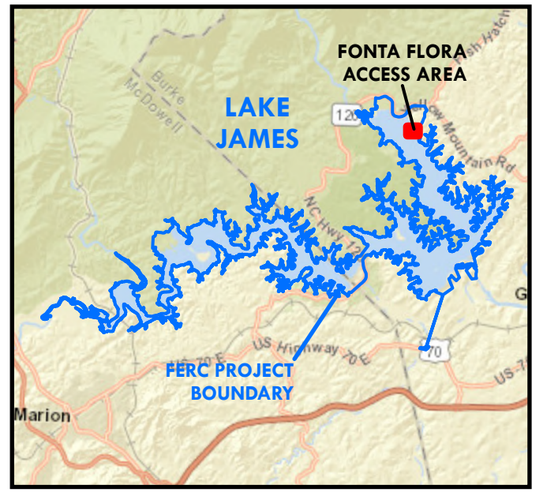
FONTA FLORA ACCESS AREA

CATAWBA-WATEREE PROJECT
BRIDGEWATER DEVELOPMENT
FERC NO. 2232

0 50 100 200
Feet

Exhibit A





NOTES:

FERC PROJECT BOUNDARY AND ACCESS AREA BOUNDARY ARE SHOWN AS REFERENCE ONLY. FOR EXACT LOCATION SEE EXHIBIT G DRAWINGS. AERIAL PHOTOGRAPHY OF EXISTING CONDITIONS IS SHOWN FOR REFERENCE ONLY.

IMPROVEMENTS SHOWN ARE CONCEPTUAL IN NATURE. ACTUAL NUMBER, SIZE AND LOCATION OF FACILITIES AND AMENITIES MAY VARY BASED ON ENGINEERING DESIGN, SITE CONSTRAINTS AND PERMITTING REQUIREMENTS. AS-BUILT DRAWINGS SHOWING ALL ENHANCEMENTS WILL BE FILED IN ACCORDANCE WITH THIS PLAN AND CURRENT FERC GUIDELINES.

IMPROVEMENTS

PROJECT RECREATION

NON-PROJECT RECREATION

DUKE ENERGY®

ACCESS AREA IMPROVEMENTS

FONTA FLORA ACCESS AREA

CATAWBA-WATEREE PROJECT
BRIDGEWATER DEVELOPMENT
FERC NO. 2232

0 50 100 200
Feet

Exhibit B-1

Exhibit B-2

Fonta Flora Access Area
Operations Plan

Lake James, Burke County, North Carolina
1661 Eagles Nest Way, Morganton, NC 28655

1. Purpose

This Operations Plan establishes the operational framework for the Fonta Flora Access Area, a Duke Energy–owned public recreation site located on Lake James in Burke County, North Carolina. The site will be leased to Burke County and operated in partnership with the North Carolina Wildlife Resources Commission (NCWRC) to provide safe, consistent, and publicly accessible recreational opportunities.

2. Site Management and Responsibilities

Landowner: Duke Energy Carolinas, LLC
Lessee / Primary Operator: Burke County
Operational Partner: North Carolina Wildlife Resources Commission (NCWRC)

Burke County will serve as the primary operator of the Fonta Flora Access Area and will be responsible for the day-to-day operation, maintenance, and management of the site, except for those responsibilities expressly assigned to NCWRC. The specific operational roles and responsibilities of NCWRC at the Fonta Flora Access Area are identified and described in Exhibit D of the lease agreement. All site operations, maintenance activities, and management responsibilities not expressly assigned to NCWRC in Exhibit D shall remain the responsibility of Burke County.

3. Operating Hours

The Fonta Flora Access Area will be open to the public 24 hours per day, seven days per week, unless temporarily closed for safety, maintenance, emergency response, or other necessary operational reasons.

4. User Fees

No user fees will be charged for access to or use of the Fonta Flora Access Area. The site will remain free and open to the general public.

5. Permitted Uses

Permitted uses may include public boating access, fishing, wildlife observation, hiking, picnicking and other passive recreational activities consistent with posted signage, applicable laws, and NCWRC regulations.

6. Signage and Public Information

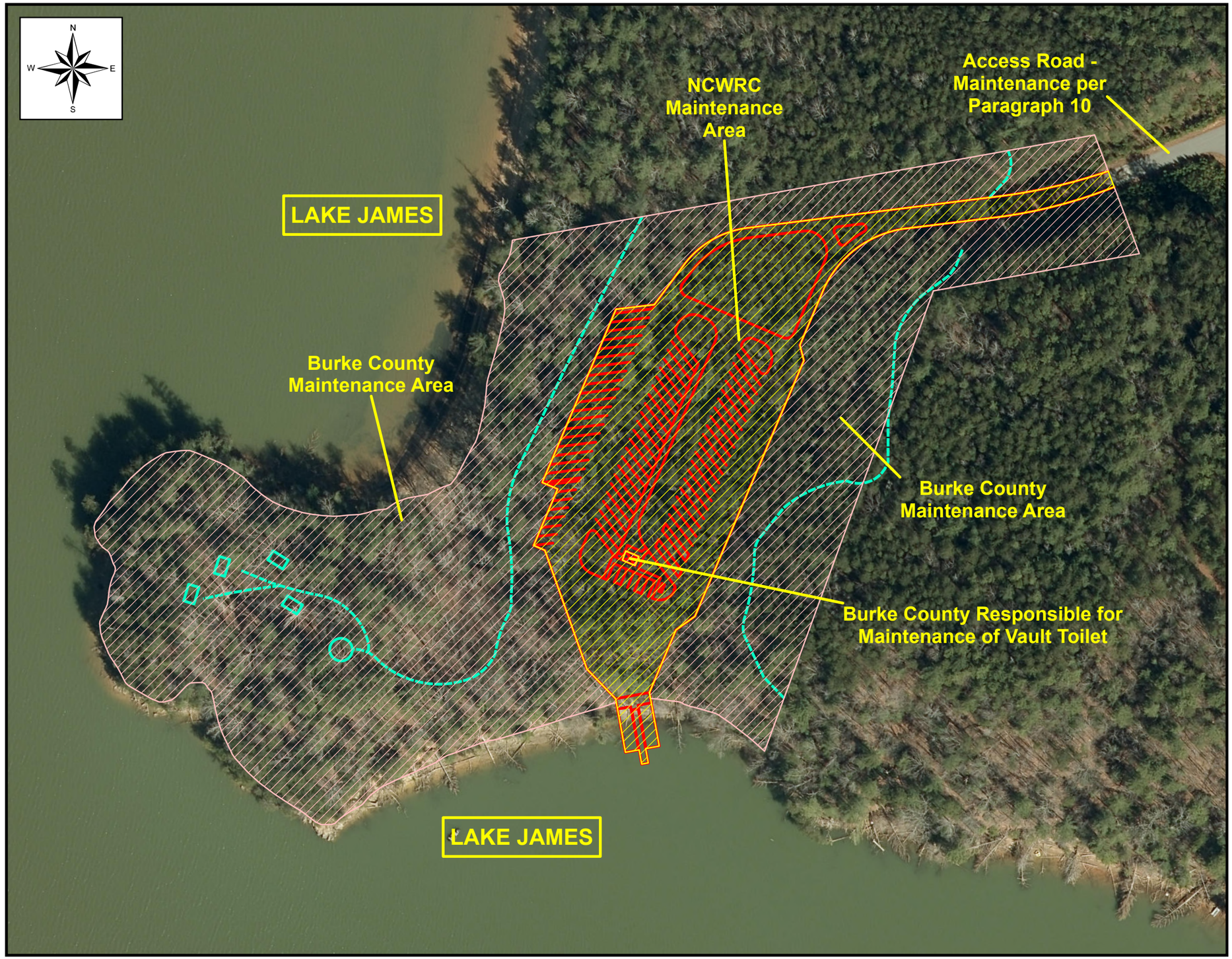
Appropriate signage will be installed and maintained to identify the site as a public access area and communicate applicable rules, regulations, and safety information.

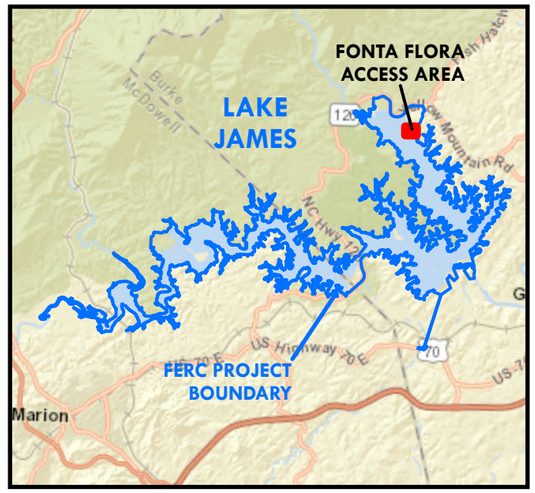
7. Changes to Operations Plan

Any material changes to this Operations Plan, including changes to operating hours, user fees, permitted uses, or operational responsibilities, must be reviewed and approved by Duke Energy prior to implementation.

8. Compliance

Operation of the Fonta Flora Access Area shall remain consistent with Duke Energy's FERC license, the applicable Recreation Management Plan, the lease agreement with Burke County, and all applicable federal, state, and local laws.





Legend

- Project Feature
- Non-Project Feature

Maintenance Responsibility

- Burke County
- North Carolina Wildlife Resources Commission

DUKE ENERGY®

MAINTENANCE RESPONSIBILITY AREA

FONTA FLORA ACCESS AREA

CATAWBA-WATEREE PROJECT
BRIDGEWATER DEVELOPMENT
FERC NO. 2232

0 50 100 200
Feet

Exhibit B-3

Exhibit C

FERC Order No. 313

TITLE 18 - CONSERVATION OF POWER AND WATER RESOURCES

CHAPTER I - FEDERAL ENERGY REGULATORY COMMISSION, DEPARTMENT OF ENERGY

SUBCHAPTER A - GENERAL RULES

PART 2 - GENERAL POLICY AND INTERPRETATIONS

2.7 - Recreational development at licensed projects.

The Commission will evaluate the recreational resources of all projects under Federal license or applications therefor and seek, within its authority, the ultimate development of these resources, consistent with the needs of the area to the extent that such development is not inconsistent with the primary purpose of the project. Reasonable expenditures by a licensee for public recreational development pursuant to an approved plan, including the purchase of land, will be included as part of the project cost. The Commission will not object to licensees and operators of recreational facilities within the boundaries of a project charging reasonable fees to users of such facilities in order to help defray the cost of constructing, operating, and maintaining such facilities. The Commission expects the licensee to assume the following responsibilities: (a) To acquire in fee and include within the project boundary enough land to assure optimum development of the recreational resources afforded by the project. To the extent consistent with the other objectives of the license, such lands to be acquired in fee for recreational purposes shall include the lands adjacent to the exterior margin of any project reservoir plus all other project lands specified in any approved recreational use plan for the project.

(b) To develop suitable public recreational facilities upon project lands and waters and to make provisions for adequate public access to such project facilities and waters and to include therein consideration of the needs of persons with disabilities in the design and construction of such project facilities and access.

(c) To encourage and cooperate with appropriate local, State, and Federal agencies and other interested entities in the determination of public recreation needs and to cooperate in the preparation of plans to meet these needs, including those for sport fishing and hunting.

(d) To encourage governmental agencies and private interests, such as operators of user-fee facilities, to assist in carrying out plans for recreation, including operation and adequate maintenance of recreational areas and facilities.

(e) To cooperate with local, State, and Federal Government agencies in planning, providing, operating, and maintaining facilities for recreational use of public lands administered by those agencies adjacent to the project area.

(f)(1) To comply with Federal, State and local regulations for health, sanitation, and public safety, and to cooperate with law enforcement authorities in the development of additional necessary regulations for such purposes.

(2) To provide either by itself or through arrangement with others for facilities to process adequately sewage, litter, and other wastes from recreation facilities including wastes from watercraft, at recreation facilities maintained and operated by the licensee or its concessionaires.

(g) To ensure public access and recreational use of project lands and waters without regard to race, color, sex, religious creed or national origin.

(h) To inform the public of the opportunities for recreation at licensed projects, as well as of rules governing the accessibility and use of recreational facilities.

[Order 313, 30 FR 16198, Dec. 29, 1965, as amended by Order 375B, 35 FR 6315, Apr. 18, 1970; Order 508, 39 FR 16338, May 8, 1974; Order 2002, 68 FR 51115, Aug. 25, 2003]

Exhibit D

STATE OF NORTH CAROLINA	)	
	)	DUKE ENERGY CATAWBA-
COUNTIES OF ALEXANDER, BURKE,	)	WATEREE PUBLIC ACCESS
CALDWELL, CATAWBA,	)	AREA AGREEMENT
GASTON, IREDELL, LINCOLN,	)	
MCDOWELL AND MECKLENBURG	)	

NORTH CAROLINA WILDLIFE RESOURCES COMMISSION
DUKE ENERGY CATAWBA-WATEREE FERC HYDROELECTRIC PROJECT

THIS PUBLIC ACCESS AREAS AGREEMENT (this "Agreement") is made this 1st day of July 2008, between **DUKE ENERGY CAROLINAS, LLC,** a North Carolina limited liability company (hereinafter referred to as "Grantor"), and the **NORTH CAROLINA WILDLIFE RESOURCES COMMISSION** (NCWRC), an Agency of the State of North Carolina (hereinafter referred to as "Grantee") and which may be referred to individually or collectively as "Party" or "Parties";

W I T N E S S E T H:

WHEREAS, Grantor has been licensed by the Federal Energy Regulatory Commission (FERC), to operate the Catawba-Wateree Project (License Number 2232), which impounds the waters of the Catawba River, including Lake James, Lake Rhodhiss, Lake Hickory, Lookout Shoals Lake, Lake Norman, Mountain Island Lake and Lake Wylie in North Carolina; and, which may be referred to individually or collectively as the "Project" or "Projects;" and,

WHEREAS, Grantor has entered into a Comprehensive Relicensing Agreement with the signatory stakeholders dated October 20, 2006, which provides the terms, conditions, and limitations specific to resolution of all of the material matters at issue in the FERC relicensing of the Catawba-Wateree Project; and,

WHEREAS, Grantor's existing license to operate the Project will expire on August 31, 2008, and Grantor is in the process of seeking a new license from the FERC authorizing Grantor to continue operation of the Project for an additional term (the "New License"); and,

WHEREAS, Grantor owns, leases, or has a current operational agreement with the owner of the tracts of land, referred to as "Public Access Areas" (hereinafter referred to as "Public Access Areas"), more specifically described on **Exhibit A** attached hereto, adjacent to the Project waters and rivers which provide access for public recreation; and,

WHEREAS, Grantor desires to lease portions of the Public Access Areas that it owns or leases to state and local governmental agencies, commercial vendors or other interested parties, through its "Access Area Improvement Initiative", which is designed to ensure the development and maintenance of a variety of high quality recreational opportunities for the general public;

WHEREAS, Grantee agrees to: (1) enforce the laws and regulations of the State of North Carolina within its subject matter jurisdiction on the Public Access Areas; and (2) maintain those portions of the Public Access Areas designated by Grantor, in coordination with Grantee, including those portions of Public Access Areas that have been or may be leased in the future by Grantor to another entity, so long as the Public Access Areas continue to be open to the public; and,

WHEREAS, the terms of this Agreement shall be binding upon and inure to the benefit of Grantor and Grantee and their respective successors and assigns.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein, the Parties agree as follows:

1. Term: This Agreement shall become effective on July 1st, 2008 and shall expire at the end of the term of the New License, including any extension periods of the New License as may be granted by the FERC through annual Licenses or otherwise, but not including the next new subsequent license that the FERC may issue after the expiration of the New License unless terminated sooner pursuant to Paragraph 5 of this Agreement. This Agreement may be renewed if the Parties mutually agree, but neither Party shall not be obligated to renew.

2. Previous Agreements: Except for "authorization to act as agent" agreements between Grantor and Grantee, this Agreement replaces and supersedes any and all prior agreements between Grantor and Grantee for maintenance and enforcement activities on any of the Public Access Areas for the Projects, and such prior Agreement(s) shall be of no further force or effect.

3. FERC License Conflicts: This Agreement is subject to the terms and conditions of the licenses issued by the FERC for the Project. In the event of any conflict between the terms and conditions of this Agreement and the Project license, it is agreed that the terms of the applicable Project license shall prevail. In addition, in the event of any conflict between the terms and conditions of this Agreement and the Catawba-Wateree Comprehensive Relicensing Agreement, it is agreed that the terms of the Comprehensive Relicensing Agreement shall prevail.

4. Amendments: Amendments to this Agreement may be proposed by either Party upon thirty (30) days written notice to the other. Such amendments, when agreed to by both Parties, shall become effective on the date such Amendment is last signed by the Parties hereto.

5. Termination: This Agreement or any part thereof may be terminated by either Party upon one hundred and twenty (120) days written notice to the other. Grantor may also terminate this Agreement at any time if directed to do so by the FERC or its successor agency having jurisdiction over hydroelectric reservoirs which are subject to the Federal Power Act. Upon termination or expiration of this Agreement, Grantee shall have the right to remove its personal property and any and all buildings, apparatus and materials supplied by it for the purpose of this Agreement for a period of one hundred and eighty (180) days. If Grantee does not remove such items within this period, such items shall become the property of the Grantor.

6. Public Access Facilities: Grantor will provide public access facilities where such facilities are indicated on Exhibit A, for the duration of this Agreement.

7. Changes to Public Access Areas: Grantor reserves the right to move, alter or change the location, boundaries or layout of any Public Access Area or private road access to any Public Access Area, wherever and whenever it shall become necessary, in order to insure full public utilization of the area or to prevent any noxious or offensive use of any area, or whenever the land then occupied by such Public Access Area or road is necessary to the operations of Grantor. In the event the relocation of any Public Access Area becomes necessary, Grantor will provide a minimum of 30 days notice to Grantee and will attempt to relocate the affected Public Access Area on land owned or leased by Grantor and at a location satisfactory to the Grantee. Subject to approval by the FERC and consistent with the Catawba-Wateree Comprehensive Relicensing Agreement, Grantor may add, remove or close all or any portion of any Public Access Area, at any time, after providing a minimum of 30 days notice of the proposed action to Grantee.

8. Leases of Portions of the Public Access Areas: Grantor reserves the right to lease or sublease portions of the Public Access Areas to state or local agencies, third parties, or individuals for the provision of additional public recreation facilities, and the terms of this Agreement shall be incorporated into the lease or sublease for said portions of the Public Access Area, subject to the approval of all parties.

9. Notice of Changes to Design or Operation: Grantor will provide written notice to Grantee of all new orders issued by the FERC that may impact the existing or future design and/or use of the Public Access Areas.

10. Response to Increase in Recreation Use: Grantor will in good faith endeavor to accommodate future increases in public recreation demand on any or all of the Projects consistent with the provisions of the Catawba-Wateree Comprehensive Relicensing Agreement and the operation of Grantor's business.

11. Compensation for Maintenance: Grantor agrees to pay Grantee $210,000 per year, as adjusted annually per Paragraph 4 to update Exhibit A as new Public Access Areas or amenities are provided, and as adjusted annually per Paragraph 14, to maintain the Public Access Areas which are the subject of this Agreement ("Maintenance Fee").

12. Cost-Share Funding for Capital Improvement: Grantee agrees to provide up to $210,000 per year toward capital improvements, major repairs or replacement (see Paragraph 16) for the Public Access Areas, provided that Grantee has sufficient funds and matching funds are available to Grantee on a "50-50" matching basis. Any portion of Grantee's cost-share funding that was available in a given year but was not utilized will not accumulate for potential use at a later date. Matching funds may come from numerous sources, including but not limited to (1) Grantor, (2) a state, local, or other non-federal governmental agency, (3) a third party lessee, or (4) donation from an individual or organization. That portion of the funding provided for capital improvements to match Grantee's funds may only be utilized for improvements that directly benefit boating access users or public fishing area users. The annual cost-share amount can exceed $210,000 if the Grantee has additional funds available for improvements to the Public Access Areas. Further, to insure Grantee retains the potential to utilize "U.S. Fish and Wildlife Sportfish Restoration Funds", the source of matching funds shall not be a federal government source. All capital improvements constructed with these matching funds that are located within the physical boundaries of the portion of the Public Access Area maintained by Grantee must remain accessible and free of charge to boating access facility users and public fishing area users for the duration of this Agreement, except as provided for in Paragraph 30. The Grantee's contribution towards capital improvements, (which may include materials and/or labor in lieu of dollars), will be described in detail in an annual report which must be submitted to Grantor prior to the Annual Coordination Meeting (see Paragraph 26). If Grantee's contribution will be in materials and/or labor, such activities may not proceed until approved by Grantor.

13. Additional Services: In the event that Grantor requests in writing that the Grantee perform services or provide products over, above, and beyond the basic services described in this agreement, then the Grantee may be paid for such additional services as herein provided. Additional services, for which additional compensation may be allowed, must first be agreed upon by both parties in writing and will be billed by Grantee to Grantor as "Additional Services".

14. Adjustment for Inflation / Deflation: Unless otherwise indicated in this Agreement, all costs or payment amounts in this Agreement that are specified in dollars shall remain in effect until January 1, 2009 at which time these dollar amounts shall be adjusted on an annual basis starting on January 1, 2009 and January 1 of each following year according to the following formula:

AD = (D x (NGDP)) / IGDP

Where:

AD = Adjusted dollar amount as of January 1 of the year in which the adjustment is made (or, in the case of the first adjustment, 2009).

D = Dollar amount prior to adjustment.

NGDP = GDP-IPD for the third quarter of the year before the adjustment date (or, in the case of the first adjustment, 2008).

IGDP = GDP-IPD for the third quarter of the year before the previous adjustment date (or, in the case of the first adjustment, 2007).

"GDP-IPD" is the value published for the Gross Domestic Product Implicit Price Deflator by the U.S. Department of Commerce, Bureau of Economic Analysis in the publication "Survey of Current Business" (being on the basis of 2000 = 100), in the third month following the end of the applicable quarter. If that index ceases to be published, any reasonably equivalent index published by the Bureau of Economic Analysis may be substituted. If the base year for GDP-IPD is changed or if publication of the index is discontinued, the Licensee shall promptly make adjustments or,

if necessary, select an appropriate alternative index to achieve the same economic effect. Adjusted amounts will be rounded to the nearest whole dollar.

15. No Commitment of Government Funds: Nothing in this Agreement shall be construed as obligating Grantee to expend in any fiscal year any sum in excess of appropriations made by Congress or the North Carolina legislature or administratively allocated for the purpose of this Agreement for the fiscal year or to involve Grantee in any contract or obligations for the future expenditure of money in excess of such appropriations or allocations nor shall it be construed to require the transfer or use of any government lands or other resources (including personnel) except as authorized by law.

16. Maintenance: Grantee shall provide routine maintenance and repairs at all the Public Access Areas, including but not limited to, those items specified in 'a' through 'p' below.

a. Entrance Road: Entrance roads are to be maintained in a safe, open, and clear condition and repaired on an as needed basis to ensure that a good quality surface and drainage are maintained. Repairs may include, but are not limited to: repairing asphalt and maintaining gravel drives clear of ruts by grading and/or adding stone, keeping side ditches, water bars and culverts clear of water flow impediments, painting lines, and repairing guardrails.

b. Parking Lots and Turnarounds: Parking lots and turnarounds are to be maintained in a safe condition and repaired on an as needed basis to ensure good drainage. Repairs may include, but are not limited to: repairing asphalt, repainting faded lines and letters, painting new lines and letters, repairing curbing, applying asphalt sealer, maintaining gravel areas clear of ruts, ensuring proper drainage by grading and/or adding stone, and keeping all areas clear of debris, weeds, trees, and grass.

c. Courtesy Docks and Fishing Piers/Platforms: Courtesy docks and fishing piers/platforms are to be maintained in a safe condition and repaired as needed to ensure user safety. Repairs may include, but are not limited to: replacing broken or defective parts, replacing broken or loose pilings, replacing defective floats, insuring dock sections remain attached to each other, maintaining stone level around dock abutments and ramps, insuring nails and fastening devices are flush with dock surfaces, ensuring reflectors and boat bumpers remain in sound condition, and maintaining handrails free of any rough or sharp areas.

d. Boat Launch Ramps: Boat launch ramps are to be maintained in a safe condition and repaired as needed to ensure user safety. Repairs may include, but are not limited to: removal of debris and silt or any items that could hinder boat launching, maintaining stone at a sufficient level along edges and ends of ramps to ensure safety, and repairing any holes in ramps.

e. Drainage Control Devices: Drainage control devices provided to eliminate or minimize erosion problems are to be maintained in a safe condition and repaired as needed to ensure good drainage. Repairs may include, but are not limited to: correcting erosion problems and keeping drainage ditches and culverts clear of all debris, trees, and other drainage impediments.

f. Access Area Shoreline: The entire shoreline of all Pubic Access Areas is to be maintained in a safe condition and repaired as needed to ensure safety of recreation users and to maintain effective erosion control. Repairs may include, but are not limited to: maintaining or adding erosion control materials and removing brush or trees that threaten to displace erosion control materials or threaten the integrity of the bank. Maintenance and construction activities along the shoreline will comply with the FERC-approved Shoreline Management Plan and Guidelines. All such activities will be designed and carried out such that the environmental resources of the shoreline are protected.

g. Dead or Diseased Tree Removal: All dead or diseased trees or fallen tree and limbs that impact or could impact the use or maintenance of the Public Access Areas are to be removed in a timely manner. In accordance with the Shoreline Management Plan and Guidelines, the trees should be added to the lake or shoreline to provide fish and wildlife habitat.

h. Tree Maintenance: Ensure that all trees bordering parking areas, roads and/or walkways do not block driver vision,; do not interfere with the movement of pedestrians, vehicles, and boats; and do not impede mowing and maintenance of the Public Access Area. Trees that may block vision or interfere with vehicle and boat movement or that have dead limbs that could injure recreation users if they fall will be promptly removed from the site. In accordance with the Shoreline Management Plan and Guidelines, the trees should be added to the lake to provide fish and wildlife habitat.

i. Trash Removal: Trash receptacles placed in Public Access Areas will be maintained in a safe and sanitary condition and must be sized to adequately handle the volume of debris normally disposed of in the area. All trash receptacles should be emptied on a predetermined schedule so that the accumulation of trash and refuse generated by regular and customary use of the Public Access Area does not present a safety or health hazard. Heavily used Public Access Areas may require more frequent trash removal and frequency of trash removal may need to be increased during peak recreation seasons. All refuse and trash scattered around the Public Access Areas should be removed as often as needed to ensure a safe and hazard free area.

j. Grass and Ground Cover: Ground cover, such as shrubs, grass, or mulch, will be provided as needed throughout the Public Access Areas and should be maintained in a safe, environmentally sound, and aesthetically pleasing condition. Mulch and/or grass areas should be maintained at a height of not less than three (3) inches and not more than eight (8) inches. Where appropriate, native plants and grasses may be used as ground cover as an alternative to turf grass. Such areas would be allowed to exceed the height specifications. All refuse and trash should be removed from the grounds before mowing. Turf grass is to be mowed to the ditch or tree line along roadways, to the tree line around parking lots and to the tree line in open areas. Mowing an additional four (4) feet (or one mower width of at least three [3] feet) on the opposite side of the ditch line should be done in May, August and November or whenever appropriate to maintain sufficient water flow through the ditch and control woody vegetation.

k. Use of Herbicides: Environmentally acceptable herbicides approved by the Environmental Protection Agency and/or the North Carolina Department of Agriculture may be utilized in Public Access Areas as needed to control unwanted vegetation in driveways, parking lots, turnaround areas, designated foot paths, stabilized shoreline areas and on boat launch ramps, Except in areas that may be designated as "Do Not Spray". Herbicide may be applied to the first 6 (six) inches of grass around the edges of the parking lots, turnarounds and roads and around signposts, trash can pads, light poles and culverts and other structures to minimize the amount of trimming needed.

l. Use of Fertilizer: Use of fertilizer is permitted on a seasonal basis as needed. Grassed portions of Public Access Areas should be fertilized twice per year or at the times recommended and with the type of fertilizer recommended by the manufacturer for the type and location of material being treated.

m. Use of Grass Seed: The timing of, preparation for, and application of grass seed will be dependent on the manufacturer's recommendations for the type of seed being applied.

n. Signage: All signage provided by the Grantee must be approved by both parties prior to installation and may be submitted in electronic mail or letter with the correct spelling of the text, translation if other than English and a description of the sign. All signs must be maintained in safe and readable form.

o. Lighting and Utility Lines: All lighting will be shielded and otherwise designed to minimize any negative impacts to fish and wildlife resources to the maximum extent feasible. All lighting will be installed by Grantor in conformance with current building and electrical code requirements. Grantee shall assume all post-installation costs associated with any lighting and its maintenance, including but not limited to, payment of power bills. To the maximum extent practicable, new or modified utility lines and/or boating facilities should be designed so that overhead utility lines do not cross boat access roads, parking lots, turn-around areas, or boat launch ramps. Any overhead utility lines that have no other practical alternative to being located within the areas defined above, must be designed with the height clearances required by the then current National Electric Safety Code or any other applicable electrical safety codes, whichever is the most restrictive and provides for the greatest height.

p. Sanitary Facilities: Pump-and-Haul toilets will be installed by Grantor at Public Access Areas as designated on Exhibit A. Grantor shall assume all post-installation costs associated with Pump-and-Haul toilets and their maintenance, including but not limited to periodic pumping as needed. Grantee shall assume all installation costs and shall assume all post-installation costs associated with any portable sanitary facilities and their maintenance, including but not limited to periodic pumping as needed. At Public Access Areas where the Grantor arranges for the construction of conventional sanitary facilities (building, toilets, sinks, water system and septic system) the Grantor shall assume all post-installation costs associated with the conventional sanitary facilities.

17. Major Repair or Replacement Costs: When major "non-routine" repairs or replacement of any facilities becomes necessary, Grantor and Grantee will consult to identify the resources necessary to make such repairs, and then determine the availability of the necessary resources and/or funding including the cost-share funding as defined in Paragraph 12. Approval by both Parties will be required prior to work being initiated. Major repairs may include, but are not limited to repair or replacement of docks, piers, boat launch ramps, access roads, or parking lots.

18. Improvements: Grantee shall have the right, at its own expense, to make additions or modifications to facilities at the Public Access Areas, to change operating hours of such facilities, and to implement or modify user fees consistent with the purpose of the Public Access Areas. However, Grantee shall submit such requests in writing to Grantor and shall receive written approval from Grantor prior to initiating any construction or equipment mobilization or instituting changes to the hours or user fees at the Public Access Areas. Additions to or modifications of any facilities will require the submittal of detailed plans, including but not limited to, construction plans and elevation drawings. Major additions or modifications may require the approval of applicable local, state, and federal agencies prior to submittal of the request to Grantor. In certain situations, Grantor will need to submit Grantee's written request to the FERC for approval, prior to issuance of approval by Grantor. All proposals by the Grantee to construct improvements at the Public Access Areas must include, among other things, descriptions of how the proposed improvements (a) comply with the requirements of the Americans with Disabilities Act and (b) use reasonable best efforts to implement Low Impact Development practices for storm water management.

19. Protection of Environment: Grantee shall take all required precautions during the Grantee's construction, modification, operation and maintenance of facilities at the Public Access Areas to protect and enhance the environmental values of affected lands and waters of the Project.

20. Cultural Resources: If any cultural resources are discovered during the Grantee's construction, modification or maintenance of facilities at the Public Access Areas, the construction, modification or maintenance work shall be halted, and Grantee shall contact the State Historic Preservation Officer and Grantor to determine what measures, if any, are required to protect or recover the resources. Written notice shall be given by Grantee to Grantor and all other appropriate agencies informing them of any such discovery and identifying the protective or recovery measures being implemented, if any are required.

21. Wildlife Protection Access: Grantee, its agents and assigns, shall have the right of ingress and egress upon all of the Public Access Areas at any and all times for the protection and propagation of fish and wildlife.

22. Law Enforcement: Grantee shall enforce the laws and regulations of the State of North Carolina within its subject matter jurisdiction, on all portions of the Public Access Areas.

23. Fire Protection: In the event of a fire within or threatening to the lands or facilities of any of the Public Access Areas, Grantee agrees to assist Grantor with fire protection.

24. Transfer or Assignment: Grantee shall not transfer or assign this Agreement to any other party or entity.

25. User Fees: Grantee may charge user fees at the Public Access Areas only under the following conditions:

a. Lawful Authority: Grantee must be given Authority by the North Carolina General Assembly to promulgate rules allowing Grantee to impose user fees at areas managed by Grantee prior to the imposition of any fee. As of the date of the execution of this agreement, Grantee does not have such authority.

b. Review Process: Should Grantee receive authority to impose user fees as described in subparagraph a., Grantee shall provide Grantor a copy of the proposed administrative rule imposing a fee schedule at least sixty (60) days prior to initiation of the public hearing process. Such proposed rule shall describe how the fees will be collected and how the proceeds will be distributed and utilized. Grantor agrees not to propose any rule that would not utilize proceeds from user fees for site improvements or other enhancements to the Public Access Areas.

c. Prior Written Approval Required: Rulemaking may not be initiated until Grantor has provided written approval. Once approval has been given and rulemaking has been initiated, Grantor shall accept any rule in its final form as adopted by Grantee that does not impose an overall higher fee than that which was initially proposed.

d. Review of User Fees: User fees established for the Public Access Areas must be a reasonable and customary amount and are subject to review and approval by the FERC to ensure Project license compliance.

e. Exemptions from User Fees: Grantor's employees, Grantee's employees, third party lessee's employees, local law enforcement officials, local environment and public health officials, and local emergency response crews, or any other official representing the Grantor, Grantee or a governmental entity that require access to the facilities while operating in his/her official capacity must be exempt from user fees.

26. Coordination Meeting and Reporting: Each Party will prepare a report during the first quarter of each calendar year that summarizes expenditures and accomplishments during the previous calendar year. Subsequent to the report preparation, Grantor and Grantee will meet to discuss and coordinate development plans and schedules for improvements to the Public Access Areas or any proposed leases to third parties. Additionally, the Parties will assess the overall performance of this Agreement and adjust it as necessary based on experience and any new information or changes to the FERC Licenses, Shoreline Management Plan and recreation plans for the Project. Decisions must be acceptable to both Grantor and Grantee in order to be implemented.

27. Joint Inspection: Grantor and Grantee will perform an annual joint physical inspection of each of the Public Access Areas to insure the Public Access Areas are being maintained in a safe manner and to the levels mutually acceptable to Grantor and Grantee.

28. Signage: Grantor and Grantee will work together to develop all information required for signage at the entrance of each Public Access Area, as set forth in the Project License or Catawba-Wateree Comprehensive Agreement. All signs shall be consistent with the National Water Safety Congress and FERC Public Safety Guidelines and will include international signage symbols where appropriate. Grantor and Grantee will erect and maintain all signage specific to each party's purpose and directives.

29. Temporary Closures: If, in the opinion of either Grantor or Grantee, it becomes necessary to temporarily close any Public Access Area or any portion thereof (e.g. if a lake level is too low to safely use the access area, if a boat ramp has failed, or for any other reason), Grantor or Grantee will provide written notice through electronic mail or by letter to the other party of such condition, and the Parties will jointly determine the appropriate course of action, including methods for closure, and public notification.

30. Public Use of Facilities: Grantee shall allow any recreational user of any leased portion of the Public Access Areas to cross and use the portion of the Public Access Area under the control of Grantee, for the purpose of viewing the lake or river or any other lawful recreation activity, so long as it does not interfere with the intended uses of the access area.

31. Bank Fishing: The Parties shall ensure that the shoreline of all Public Access Areas remains open for bank fishing for the term of this Agreement, except for those minimal shoreline areas where bank fishing is restricted for safety reasons, management problems or to avoid conflicts with other Public Access Area users. The Grantee, in consultation with Grantor, shall designate with appropriate signage those portions of shoreline at the Public Access Areas where bank fishing is prohibited.

32. Entry by Lessees: Lessees, their agents and representatives, who lease or sublease a portion of the Public Access Areas as provided in Paragraph 8 above, may at all reasonable times enter, cross and use the portion of the Public Access Areas maintained by the Grantee, for the purpose of installing and maintaining utility lines, roads and trails consistent with the previously approved facilities improvement plan for the Public Access Areas.

33. Reservation of Use: Grantor reserves for itself, subsequent FERC project licensees, and its successors and assigns, the right to temporarily use the Public Access Areas for Project purposes and for any other purpose consistent with Grantor's business operations. If such future change in use of the Public Access Areas eliminates or otherwise limits the full public use of the area, Grantor will replace the lost site or function elsewhere within the Project or at another appropriate site.

34. Reservation of Authority: No terms or conditions herein contained shall be construed as limiting or affecting in any way the authority of Grantor in connection with its exercise of proper protection and administration of the Public Access Areas or the Project.

35. Utility Easement: Grantor reserves an easement to build, construct, maintain and operate electric distribution/transmission lines on, over, under, along and above the Public Access Areas. Grantor also reserves the right, privilege and easement to erect, construct, reconstruct, replace, maintain and use towers, poles, wires, crossarms and other appliances and fixtures for the purpose of transmitting or distributing electric power, for said Grantor's communication purposes, and for any other purpose that is, in Grantor's sole discretion, consistent with Grantor's business operations, together with the right to keep said lines, appliances, and fixtures free of structures, trees and other objects that may endanger or interfere with same.

36. Flooding and Drawdown: Grantor reserves the unlimited right to back, flood or drawdown the waters or tributaries of the Project, from time to time and at any and all times, over and upon the Public Access Areas or any portion of the same, to such extent the flooding or drawdown may be necessary or convenient in connection with the practical operation of its hydroelectric power plants located or to be located in the future on the Catawba-Wateree chain and to the extent such flooding or drawdown is consistent with Grantor's obligations under its FERC licenses, other applicable easements and agreements, and applicable law. Grantee agrees that any damage it may suffer as a result of such flooding shall not be claimed or charged against Grantor.

37. FERC Project Restoration: Except as provided for by the Catawba-Wateree Comprehensive Relicensing Agreement, Grantor shall be under no obligation to Grantee to maintain or continue to operate the Projects and should said Project be damaged, destroyed or removed, Grantor shall be under no obligation to restore or rebuild same. Grantee hereby waives all claims against Grantor for damages to or destruction or removal of said Project.

38. Compliance with Federal, State and Local Laws: Grantee agrees that its use of the Public Access Areas as herein provided will be consistent with all FERC orders and regulations regarding recreation opportunities and development at FERC licensed hydro projects. Grantee agrees that its use of the Public Access Areas as herein provided will be consistent with all other applicable state, federal and local laws as well as all ordinances, rules, regulations and sanctions of any regulatory body or governmental agency (state, federal or local) having jurisdiction in the subject premises. Grantee's use of the aforesaid subject premises shall comply with all applicable Duke Energy Lake Services requirements and will not endanger health or safety, create a nuisance or otherwise be incompatible with the overall recreation use of the Projects.

39. Indemnity: Grantee, to the extent allowed by applicable North Carolina (State) law, specifically as may be authorized by the General Statutes of North Carolina, Article 31, Chapter 143-291, entitled "Tort Claims Against State Departments and Agencies", covenants to indemnify and save harmless Grantor from and against any and all claims, liability, loss or damage, arising from any conduct, work or thing done under the terms of this

Agreement, to include injury or damage to any person or persons, including Grantor, or to the property of any person, or persons or corporations occurring on or within the Public Access Areas which are the subject of this Agreement, as the result of any activity of Grantee, its agents, employees, or any other person or entity under the direction of the Grantee, and for any protection, mitigation and enhancement measures or activities required by FERC or its successor agency in connection with the activities conducted by Grantee hereunder. Upon the State contracting with an entity for the purpose of constructing any facilities on the Public Access Areas that are the subject of this Agreement, Grantor shall be named as an insured or an additional insured on a policy of insurance covering the scope of such activity prior to the commencement of any activity by the State, its agents or contractors. Any contractor or subcontractor performing work on property that is the subject of this Agreement shall have in place prior to commencement of any activity and during the performance of any activity, the following types of insurance and coverage limits:

- General Liability Coverage – Two million dollars per occurrence.
- Auto Liability – one million dollars per occurrence.
- Workers Compensation within statutory limits.
- Employer's Liability – five hundred thousand dollars each accident.
- Contractor's Pollution Liability Coverage – one million dollars per occurrence.

40. Limitation of Liability: Grantor and Grantee agree and warrant that any and all work performed within the Public Access Areas will be performed with professional thoroughness and using acceptable standard business practices. Grantor's total cumulative liability to Grantee for claims of any kind whether based on contract, tort (including negligence and strict liability and excluding willful misconduct), under any warranty or otherwise, for any loss or damage relating to this Agreement, shall in no case exceed the cost of completing the work in accordance with acceptable business practice, and Grantee releases Grantor from all further liability in excess of this amount for any work performed under this Agreement. Grantee further releases Grantor from any and all liability resulting from any injury of any employee of Grantee or anyone performing any service at the direction of Grantee on the Public Access Areas, excluding any acts of willful misconduct by the Grantor.

Grantee's total cumulative liability to Grantor for claims of any kind whether based on contract, tort (including negligence and strict liability and excluding willful misconduct), under any warranty or otherwise, for any loss or damage relating to this Agreement, shall in no case exceed the cost of completing the work in accordance with acceptable business practice, and Grantor releases Grantee from all further liability in excess of this amount for any work performed under this Agreement. Grantor further releases Grantee from any and all liability resulting from any injury of any employee of Grantor or anyone performing any service at the direction of Grantor on the Public Access Areas, excluding any acts of willful misconduct by the Grantee.

Neither Party shall be liable, whether based on contract, tort (including negligence and strict liability), under any services or work performed relating to this Agreement, for any consequential, indirect, special, or incidental loss or damage, any damage (except to the extent damage resulted from willful misconduct) to or loss of any property or equipment.

This limitation of, or protection against liability shall also protect directors, officers, employees, agents, consultants, suppliers, subcontractors, and affiliated entities and their directors, officers, employees, agents, consultants, suppliers, subcontractors, parents, subsidiaries and affiliates of the Grantor or Grantee and shall apply regardless of the fault (excluding willful misconduct), negligence or strict liability of the respective party.

The limitation of liability in this provision shall apply notwithstanding any other provision of this Agreement.

41. Non-warranty: Grantor makes no representation or warranty, express or implied, and will bear no responsibility as to the existing or future water quality or quantity in the lakes and rivers associated with the Project or the sufficiency or suitability of the Public Access Areas for use as a public park and/or public recreation site.

42. Survival: Provisions of this Agreement for Termination (Paragraph 5), Limitation of Liability (Paragraph 40), Survival (Paragraph 42) and Indemnity (Paragraph 39) shall survive the termination or cancellation of this Agreement and shall remain in effect.

43. Recovery of Fees and Costs: If any action is taken by either Party to enforce any provision, covenant or agreement contained in this Agreement or if either Party is required to retain an attorney to enforce any provision, covenant or agreement contained in this Agreement (including, without limitation, the removal of an encroachment constructed by Grantee on the Public Access Areas in violation of this Agreement), then the aggrieved Party shall be entitled to recover from the other Party all aggrieved Party's reasonable costs, including but not limited to attorneys' fees and court costs incurred in such action and/or enforcement. In the occurrence of same, Grantee shall be entitled to recover from Grantor all of Grantee's reasonable costs, including but not limited to attorneys' fees and court costs incurred in such action and/or enforcement.

44. Severability of Terms: Unless provided otherwise in this Agreement, should any term of this Agreement or part thereof be held under any circumstances in any jurisdiction to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other term of this Agreement or other part of such term.

45. Notices: Wherever in this Agreement it shall be required or permitted that notice be given by either Party to this Agreement to the other, such notices must be in writing and must be given personally, provided by e-mail, or forwarded by certified mail addressed as follows:

To Grantor:
Duke Energy Carolinas, LLC
Attn: Lake Services EC12Q
P.O. Box 1006
Charlotte, NC 28201-1006

To Grantee:
North Carolina Wildlife Resources Commission
Division of Engineering Services
Attn: Division Chief
1720 Mail Service Center
Raleigh, NC 27699-1720

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be executed this the day and year first above written.

GRANTOR
DUKE ENERGY CAROLINAS, LLC

By: Steven D. Jester
Name: STEVEN D. JESTER
Title: V.P. Hydro Licensing and Lake Services

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

I, Jimmie O. Stroud, a Notary Public for said County and State, certify that Steven D. Jester personally came before me this day and acknowledged that he is Vice President of Duke Energy Carolinas, LLC, a North Carolina limited liability company, and that he, as Vice President, being authorized to do so, executed the foregoing on behalf of the company.

WITNESS my hand and official seal, this the 3 day of June, 2008.

[SEAL]

My Commission Expires: Oct. 31, 2008 Jimmie O. Stroud
Notary Public

GRANTEE
NORTH CAROLINA WILDLIFE RESOURCES COMMISSION

Attested By:
Cynthia S. Edwards
Title: Admin. Asst.

By: Fred Harris
Name: Fred Harris
Title: Executive Director

STATE OF NORTH CAROLINA
COUNTY OF Wake

I, Cynthia S. Edwards, a Notary Public for the above State and County, hereby certify that Fred Harris personally came before me this day and acknowledged that s/he is Executive Director of the North Carolina Wildlife Resources Commission and that by authority duly given and as the act of said corporation, the foregoing and annexed instrument was signed in its name by Fred Harris its Executive Director, sealed with its corporate seal and attested by Cynthia S. Edwards as its Notary Public.

WITNESS my hand and official seal, this the 4th day of June, 2008

My Commission Expires: 2/26/2011 Cynthia S. Edwards
Notary Public

Cynthia S. Edwards
Notary Public
Wake County
North Carolina
My Commission Expires 2/26/2011

EXHIBIT A

DUKE ENERGY CATAWBA-WATEREE AREA
PUBLIC ACCESS AREAS AGREEMENT

Note: Items in italics have not been installed as of January 1, 2008. Items identified by asterisk (*) to be maintained by others.

LAKE JAMES

1) Black Bear Access Area

- Black Bear Access Area with the following amenities:
  - Six boat launch ramps;
  - Three courtesy piers;
  - *Restrooms;*
  - *One fishing pier, or;*
  - *Bank fishing trail*;*
  - *Trails*;*
  - *Overnight cabins*;*
  - *Primitive camping*;*
  - *Picnic areas*;*
  - Paved parking area with lights; and
  - One hundred sixty five trailer parking spaces

2) Linville Access Area

- Linville Access Area with the following amenities:
  - Two boat launch ramps;
  - One courtesy pier;
  - *Restrooms*;*
  - *Picnic facilities*;*
  - Paved parking area with lights; and
  - Sixty trailer parking spaces

3) New Linville Access Area (Undeveloped)

- New Linville Access Area with the following amenities:
  - *Two boat launch ramps;*
  - *One courtesy pier;*
  - *Vault Toilet*;*
  - *Picnic Area*;*
  - *Paved parking area with lights; and*
  - *Undetermined trailer parking spaces*

4) Bridgewater Access Area

- Bridgewater Access Area with the following amenities:
  - Fishing Pier
  - *Boat launch ramp;*
  - *Restrooms*;*
  - *Picnic area*;*
  - Parking area *with lights; and*
  - *Undetermined additional trailer parking spaces*

5) Muddy Creek Access Area (undeveloped)

- Muddy Creek Access Area with the following amenities:
  - *Canoe/Kayak Access;*
  - *Parking area; and*
  - *Approximately 10 parking spaces*

LAKE RHODHISS

6) Johns River Access Area

- Johns River Access Area with the following amenities:
  - One boat launch ramp;
  - One courtesy pier;
  - Paved parking area with lights;
  - Fifteen trailer parking spaces; and
  - Six car parking spaces

7) Corpening Bridge Access Area (undeveloped)

- Corpening Bridge with the following amenities:
  - *Boat launch ramp;*
  - *Gravel parking area; and*
  - *Ten trailer parking spaces*

8) Huffman Bridge Access Area

- Huffman Bridge Access Area with the following amenities:
  - Bank Fishing Area
  - Paved parking area with lights; and
  - 24 parking spaces

9) Castle Bridge Access Area

- Castle Bridge Access Area with the following amenities:
  - Six boat launch ramps;
  - Three courtesy piers;
  - *Restrooms*;*
  - Paved parking area with lights; and
  - One hundred forty nine trailer parking spaces

10) Conley Creek Access Area (Sawmills Veterans Park leased by Town of Sawmills, NC)

- Conley Creek Access Area with the following amenities:
  - Two boat launch ramps;
  - One courtesy pier;
  - One fishing pier;
  - Paved parking area with lights; and
  - Seventy trailer parking spaces

11) Rhodhiss Access Area

- Rhodhiss Access Area with the following enhancements:
  - Two boat launch ramps;
  - One courtesy pier;
  - *Restrooms*;*
  - Paved parking areas with lights; and
  - One hundred trailer parking spaces

LAKE HICKORY

12) Gunpowder Access Area

- Gunpowder Access Area with the following amenities:
  - Two boat launch ramps;
  - One courtesy pier;
  - Paved parking area with lights; and
  - Sixty trailer parking spaces

13) Lovelady Access Area

- Lovelady Access Area with the following amenities:
  - Two boat launch ramps;
  - One courtesy pier;
  - *One fishing pier;*
  - Paved parking area with lights;
  - Forty trailer parking spaces; and
  - Ten car parking spaces

14) Wittenburg Access Area

- Wittenburg Access Area with the following amenities:
  - Six boat launch ramps;
  - Three courtesy piers;
  - Two fishing platforms;
  - *Restrooms*;*
  - *Picnic area*;*
  - *Swimming Area*;*
  - Paved parking area *(add additional undetermined paved parking);*
  - One hundred sixty four trailer parking spaces with lights; and
  - Thirty four car parking spaces

15) Dusty Ridge Access Area (leased by Alexander County)

- Dusty Ridge Access Area with the following proposed amenities:
  - Two boat launch ramps;
  - One courtesy pier;
  - One trash bin;
  - *One mile of trail*;*
  - *Restrooms*;*
  - Paved parking area with lights; and
  - Forty trailer parking spaces

16) Oxford Access Area

- Oxford Access Area with the following proposed amenities:
  - Four boat launch ramps;
  - Two courtesy piers;
  - *Bank fishing*;*
  - *Primitive camping*;*
  - *picnic area*;*
  - *Trails*;*
  - *Restrooms*;*
  - *Swimming Area*;*
  - Paved parking area with lights *(additional paved parking to be added);* and
  - One hundred twenty trailer parking spaces

17) Oxford Tailrace Fishing Area

- Oxford Tailrace Fishing Area with the following proposed amenities:
  - *Fishing platform; and*
  - *Parking area with lights*

LOOKOUT SHOALS LAKE

18) Upper Lookout Shoals Access Area (undeveloped)

- Upper Lookout Shoals Access Area with the following amenities:
  - *Boat launch ramps;*
  - *Primitive camping*;*
  - *Restrooms*;*
  - *Paved parking area; and*
  - *Undetermined trailer parking spaces*

19) Sharon Access Area

- Sharon Access Area with the following amenities:
  - One boat launch ramp;
  - One courtesy pier;
  - One trash bin;
  - Paved parking area with lights; and
  - Twenty eight trailer parking spaces

20) Lookout Access Areas

- Lookout Access Area with the following amenities:
  - Two boat launch ramps;
  - One courtesy pier;
  - *Restrooms*;*
  - One trash bin;
  - Paved parking area with lights; and
  - Fifty three trailer parking spaces

21) Lookout Shoals Tailrace Fishing Area

- Lookout Shoals Tailrace Fishing Area with the following proposed amenities:
  - *Fishing platforms; and*
  - *Gravel Parking area with lights*

LAKE NORMAN

22) Long Island Access Area

- Long Island Access Area with the following amenities:
  - Two boat launch ramps;
  - One courtesy pier;
  - Paved parking area with lights; and
  - Forty eight trailer parking spaces

23) Island Point Access Area (undeveloped)

- Island Point Access Area with the following amenities:
  - *Boat launch ramps;*
  - *Courtesy piers;*
  - *Trails*;*

- *Pier or bank fishing*
- *Swimming area*;*
- *Restrooms*;*
- *Paved parking area with lights; and*
- *Undetermined trailer parking spaces*

24) Pinnacle Access Area

- Pinnacle Access Area with the following amenities:
  - Five boat launch ramps;
  - Two courtesy piers;
  - Four trash bins;
  - Paved parking area with lights;
  - One hundred thirty one trailer parking spaces; and
  - Nine car parking spaces

25) McCrary Creek Access Area

- McCrary Creek Access Area with the following amenities:
  - Four boat launch ramps;
  - Two courtesy piers;
  - Three trash bins;
  - Paved parking area with lights; and
  - Ninety eight trailer parking spaces

26) Marshall Fishing Area

- Marshall Fishing Area with the following amenities:
  - One to two portable toilets;
  - Four trash cans; and
  - Gravel parking area

27) Hager's Creek Access Area

- Hager's Creek Access Area with the following amenities:
  - Four boat launch ramps;
  - Two courtesy piers;
  - *Trails*;*
  - *Bank fishing*;*
  - *Picnic area*;*
  - *Restrooms*;*
  - *Fishing pier;*
  - Two trash bins
  - Paved parking area with lights *(additional paved area to be constructed); and*
  - One hundred twenty trailer parking spaces

28) Little Creek Access Area

- Little Creek Access Area with the following amenities:
  - Two boat launch ramps;
  - One courtesy pier;
  - *Restrooms*;*
  - *Fishing pier(possibly maintained by leasee);*
  - *Picnic shelter*;*
  - Two trash bins;
  - Paved parking area with lights *(additional paved area to be constructed);* and
  - Fifty nine trailer parking spaces

29) Beatty's Ford Access Area

- Beatty's Ford Access Area with the following amenities:
  - Four boat launch ramps;
  - Two courtesy piers;
  - *Picnic area*;*
  - *Fishing pier (possibly maintained by leasee);*
  - *Swimming area*;*
  - *Restroom*;*
  - Four trash bins;
  - Paved parking area with lights; and
  - One hundred twenty trailer parking spaces

MOUNTAIN ISLAND LAKE

30) Hwy 73 Access Area

- Hwy 73 Access Area with the following amenities:
  - *Canoe Kayak access area;*
  - *Gravel parking area; and*
  - *Ten parking spaces*

31) Neck Road Access Area

- Neck Road Access Area with the following amenities:
  - Two boat launch ramps;
  - One courtesy pier;
  - Paved parking area with lights; and
  - Sixty one trailer parking areas

32) Riverbend Access Area

- Riverbend Access Area with the following amenities:
  - Four boat launch ramps;
  - Two courtesy piers;
  - *Fishing pier (possible maintained by leasee);*
  - *Bank fishing*;*
  - *Restroom*;*
  - *Swimming area*;*
  - One trash bin;
  - Paved and gravel parking areas with lights; and
  - One hundred trailer parking areas plus additional parking

33) Mountain Island Tailrace Fishing Area

- Mountain Island Tailrace Fishing Area with the following amenities:
  - One or two portable toilets (seasonal);
  - Two fishing platforms with ADA trail; and
  - *Gravel parking area*

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34) Allen Fishing Area

- Allen Fishing Area with the following amenities:
  - Two fishing platforms with ADA trail;
  - Restrooms*;
  - Paved parking area with lights; and

- Twenty seven parking areas

35) South Point Access Area

- South Point Access Area with the following amenities:
  - Six boat launch ramps;
  - Four courtesy piers;
  - *Trails*;*
  - *Bank fishing*;*
  - *Fishing pier;*
  - *Picnic area*;*
  - *Swimming area*;*
  - *Restrooms*;*
  - Eight trash bins;
  - Paved parking area with lights; and
  - One hundred sixty five trailer parking areas