

PowerSouth Energy Cooperative

General Guidelines for Shoreline Permitting

Gantt Lake Point A Lake

IMPORTANT NOTICE: GANTT LAKE AND POINT A LAKE HAVE BEEN IDENTIFIED AS A CRITICAL HABITAT FOR CERTAIN THREATENED AND ENDANGERED SPECIES INCLUDING BUT NOT LIMITED TO THE NARROW PIGTOE MUSSEL. NO APPLICATION NOR PERMIT FROM POWERSOUTH ENERGY COOPERATIVE AUTHORIZES ANY PERSON OR ENTITY TO HARASS, TAKE OR IMPACT ANY THREATENED OR ENDANGERED SPECIES OR ITS HABITAT OR OTHERWISE VIOLATE ANY LOCAL, STATE OR FEDERAL LAW.

CONSTRUCTION OF BOATRAMPs, SEAWALLS, AND DREDGING & FILLING ACTIVITIES REQUIRE THE PERMITTEE TO RECEIVE APPROVAL FROM THE U.S. ARMY CORPS OF ENGINEERS AND THE U.S. FISH AND WILDLIFE SERVICE PRIOR TO POWERSOUTH GRANTING THE PERMIT.

These general guidelines are for shoreline construction activities, including, but not limited to, boatramps, seawalls, bulkheads, jetties, dredging or filling activities, piers and boatdocks within the boundaries of both Gantt Lake and Point A Lake (jointly, the “Lakes”). These guidelines do not attempt to address every specific situation that may exist, but are provided as general guidelines to assist you in your decision to apply for a Permit to construct and/or maintain facilities within the boundaries of the Lakes.

Why should I contact PowerSouth Energy Cooperative?

PowerSouth operates and maintains the two dams known as the Point A Hydro and the Gantt Hydro, under a license granted by the Federal Energy Regulatory Commission, thereby creating Gantt Lake and Point A Lake, the waters of which are used or intended to be used by PowerSouth in its business of generating electrical energy. With the exception of the Conecuh River bed, PowerSouth Energy Cooperative (“PowerSouth”) owns the land submerged by the lakes and has additional property and flood rights along the shoreline. Therefore, all construction and maintenance activities within the boundaries of the Lakes must be pre-approved and permitted by PowerSouth.

Currently, the U.S. Army Corps of Engineers and the U.S. Fish & Wildlife Service have granted PowerSouth the sole authority for review and approval of pier and boatdock permits only. All other construction activities require the permittee to receive approval from the U.S. Army Corps of Engineers and the U.S. Fish and Wildlife Service prior to PowerSouth granting the permit. The guidelines herein are divided into two categories to distinguish the two methods of permitting.

Who should I contact at PowerSouth?

Please contact PowerSouth's Land Management Department at (334) 427-3000 to begin the application and permitting process. A representative of PowerSouth will set up an appointment to meet with you at the site to discuss and review your proposed construction or maintenance project. Please provide general directions to your property and a phone number where you may be contacted.

Mail: PowerSouth Energy Cooperative
Attention: Land Management Department
P.O. Box 550
Andalusia, Alabama 36420

Phone Inquiries:
PowerSouth Land Management Department
(334) 427-3000

Who determines what I can build and where?

Boatramps, seawalls, bulkheads, jetties, boat slips, dredging or filling: Currently, those decisions are made by PowerSouth in coordination with the U.S. Army Corps of Engineers and U.S. Fish & Wildlife Service. The location of any construction on the shoreline or within the boundaries of the Lakes (including, but not limited to, boatramps, seawalls, bulkheads, jetties, boat slips, dredging or filling activities, appurtenances, etc.) shall be determined by PowerSouth on a case by case basis and construction plans will be subject to the review and approval of the U.S. Army Corps of Engineers and the U.S. Fish & Wildlife Service.

Piers and Boatdocks: PowerSouth has sole authority for review and approval of pier and boatdock permits only. Review of permit applications for piers and boatdocks is not required by the U.S. Army Corps of Engineers or the U.S. Fish and Wildlife Service.

What is the permit process?

Boatramps, seawalls, bulkheads, jetties, boat slips, dredging or filling:

1. Applicant should submit the PowerSouth application and proposed construction plans to PowerSouth. After reviewing the proposed construction or maintenance project and application, PowerSouth will either preliminarily approve or reject the project. In the event PowerSouth provides preliminary approval of the application for a construction or maintenance project, it shall then become the sole responsibility of the Applicant to obtain all necessary authorizations and approvals for the project from any and all applicable governmental and regulatory agencies, including, but not limited to the U.S. Army Corps of Engineers and the U.S. Fish & Wildlife.

2. After preliminary approval by PowerSouth, you should submit the completed application, necessary drawings and required information to the U.S. Army Corp of Engineers at the following address for review and approval.

Mail: District Engineer, Attn: Regulatory Division
U.S. Army Corps of Engineers – Mobile District
P.O. Box 2288
Mobile, Alabama 36628-0001
Phone: 251-690-2658
Fax: 251-690-2660

3. After determination/approval by the Corps of Engineers, submit all required documentation to the U.S. Fish & Wildlife Service at the following address for review and approval:

Mail: U.S. Fish and Wildlife Service
Alabama Ecological Services Field Office
1208 Main Street
Daphne AL 36526
Phone: 251-441-5181
Fax: 251-441-6222

4. Once the Applicant has obtained all such necessary governmental authorizations and approvals for the project, the Applicant must contact PowerSouth and obtain final approval and a written Permit from PowerSouth for the proposed project.

Piers and Boatdocks: Applicant should submit the application with proposed construction plans to PowerSouth. A PowerSouth representative will meet with the upland owner at the project site to review and discuss. After comprehensive review of the application and the proposed project, PowerSouth will either reject the project by letter to the applicant or approve the project by issuing a written Permit.

Can I start building my structure during the permitting process?

No. No construction will be allowed without a fully executed application, Permit and all supporting documentation approved by PowerSouth, the U.S. Army Corps of Engineers and the U.S. Fish and Wildlife Service if necessary.

Does it cost anything to file an application with PowerSouth?

1. For any new construction PowerSouth's application fee is \$250.00 and must be submitted with the completed application.
2. For modification or significant maintenance to existing facilities constructed on the Lakes without first obtaining a Permit from PowerSouth, the owner must submit an application and a \$250.00 application fee must be submitted with the completed application.

3. For modification or significant maintenance on permitted facilities existing on January 1, 2014, the application fee will be \$100.00 and must be submitted with the completed application.
4. When the upland property associated with a permitted facility is sold or title otherwise transferred and no improvements, additions or substantial maintenance are planned or required to be made to the existing permitted facility, the new Permit will be issued to the new upland owner at no cost with a completed application and the drawing/plan for the existing facility attached to the Permit.

Why does PowerSouth charge a fee to file an application?

This fee is intended to cover the cost of PowerSouth's personnel time spent processing your application.

Is the Permit transferable?

No. Shoreline Permits are nontransferable. Upon the sale or other transfer of the upland property to which the permitted facility is attached or the death of the Permittee, the new owner of the upland shall expeditiously apply for a Permit. The existing Permittee/Seller should notify PowerSouth as soon as the upland property is sold and identify the upland Purchaser. The Permittee/Seller will NOT be released from its Permit obligations to PowerSouth until the upland Purchaser has obtained a Permit. The Permittee and the permitted facility shall be in compliance with all Permit requirements and all applicable government regulations before the new upland owner may obtain a Permit. If no improvements, additions or substantial maintenance are planned or required to be made to the existing permitted facility, the new Permit will be issued to the new upland owner at no cost, with the drawing/plan for the existing facility attached. If the new upland owner plans or is required to make improvements, additions or complete substantial maintenance on an existing facility, the new upland owner will be charged a fee of \$100.00 and will be required to apply for a new Permit and complete the permitting process including any governmental review and approval.

What are the general guidelines for building along the shoreline at Gantt and Point A Lakes?

1. **BEST MANAGEMENT PRACTICES:** The proposed construction shall be designed in a manner that minimizes the potential for sedimentation and erosion to occur. For specific best management practices and techniques, see "The Alabama Handbook for Erosion Control, Sediment Control and Stormwater Management on Construction Sites and Urban Areas" (March 2009), available from the Alabama Soil and Water Conservation Committee or on-line at:
http://swcc.alabama.gov/pages/erosion_handbook.aspx
2. **BOAT RAMPS:** Boat ramps should not exceed fourteen (14) feet in width and may only extend into the lake a reasonable distance from the shoreline. The acceptable length of any proposed boat ramp shall be determined by PowerSouth on a case by case basis depending upon its location. No fill shall be placed beyond the shoreline of the Lakes during the construction of any boat ramp.

3. **BULKHEADS AND SEAWALLS:** Bulkheads and seawalls shall be constructed as close to existing shoreline as possible (but not beyond the existing shoreline). Any replacement of an existing seawall or bulkhead shall be constructed on the shoreline side of the existing seawall. The original seawall shall be removed immediately after completion of any such replacement.
4. **DREDGING:** All dredging of material from the boundaries of the Lakes must be approved by PowerSouth prior to the beginning of any such activity. Applications for this activity will be reviewed by PowerSouth on a case by case basis and may require additional documentation. No fill from any dredging activity shall be placed in the vicinity of the shoreline.
5. **FILLING OF WETLANDS:** Permits and approvals from the United States Department of the Army Corp of Engineers, and any other applicable governmental or regulatory agency as well as PowerSouth, must be obtained by the Applicant prior to the commencement of any and all activities associated with the filling of any area within the boundaries of the Lakes or any areas that may be determined to be wetlands.
6. **PIERS AND BOATHOUSES:** The allowable length, width and square footage for any proposed structure (floating dock, boathouse, wet slip, pier, boat slip, walkway) will be determined by PowerSouth on a case by case basis and prior to the issuance of any shoreline Permit. The length of any such structure shall not exceed twenty-five (25) feet except where natural conditions limit adequate access. In a narrow slough, no structure shall extend over 1/3 way across the slough. All covered (roofed) structures, including, but not limited to boathouses, must remain open and cannot be walled or enclosed. All wiring that is attached to any pier, boathouse or similar structure shall be located in conduit and firmly attached thereto. Light reflectors shall be placed on both sides and at the end of all such structures. Neither recreational rooms nor sewer systems of any kind shall be permitted over the waters of the Lakes. No garbage or foreign materials (remnants of building material, old appliances, tires, etc.) shall be placed within the boundary of the Lakes. No habitable structures shall be constructed within the boundaries of the Lakes.

Do I need any kind of drawing of my proposed structure or activity?

Yes. Drawings of any proposed construction projects shall depict all existing facilities with their dimensions and locations as well as the proposed locations (with dimensions) of all new facilities. All such drawings must be of reproducible quality and submitted on 8.5 x 11 inch paper. The drawings must show the locations of all proposed construction and the proximity of the same to the shoreline and property lines. For seawall construction, drawings must show distance from the shoreline. Drawings for piers, boathouses, ramps, boat slips, etc. shall depict the size, length, width and if with a roof, the height and the dimensions of the roof. Drawings must also specify the type of materials to be used. Drawings must be signed by both the proposed Permittee/upland property owner and the contractor if applicable. See the attached sample drawing.

Who is responsible for the costs of any drawings, information or studies, etc., required by Powersouth, U.S. Army Corps of Engineers or U.S. Fish & Wildlife Service or other governmental entity?

The Applicant/Permittee is responsible for all costs associated with its proposed project.

After I receive my Permit, do I need to be concerned about any threatened or endangered species or habitat?

Yes. Portions of the Lakes have been designated, and may be designated in the future, as critical habitats for various threatened or endangered species. In order to protect any species that has been classified as threatened or endangered by the United States Fish and Wildlife Service and its habitat, it shall be the sole responsibility of the Applicant to apply for and obtain (in writing) all necessary permits, approvals, clearances and permissions from any and all applicable governmental and regulatory agencies, prior to the construction and/or maintenance of facilities contemplated hereunder. Further, it shall be the sole responsibility of the Applicant/Permittee and/or its contractors to avoid any impact to the threatened or endangered species or its habitat during construction, maintenance and use of its installation.

Where should I place the Permit Tag issued by PowerSouth?

Permit Tags should be placed in a conspicuous area on the facility so that PowerSouth may make inspection by boat and view the Permit Tag with ease from the water.

Where can I learn more about the threatened or endangered mussels and their habitat?

Please go to <http://www.fws.gov/policy/library/2012/2012-24161.pdf> to read the final rule which became effective on November 9, 2012, and <http://www.fws.gov/panamacity/resources/8MusselMap.pdf> to view the critical habitat map.

These general guidelines have been formulated by PowerSouth to provide for orderly and reasonable shoreline management of the Lakes, recognizing that peculiarities in shorelines and property lines exist on the Lakes and may require flexibility on the part of PowerSouth and/or upland landowners. Also, sizes and dimensions stated above are considered to be a maximum allowed and may not be allowable in every situation.

POWERSOUTH RESERVES THE RIGHT TO MAKE EXCEPTIONS AND MODIFICATONS TO THESE GUIDELINES AT ANY TIME AND AT ITS SOLE DISCRETION.

Acknowledgment and Indemnification

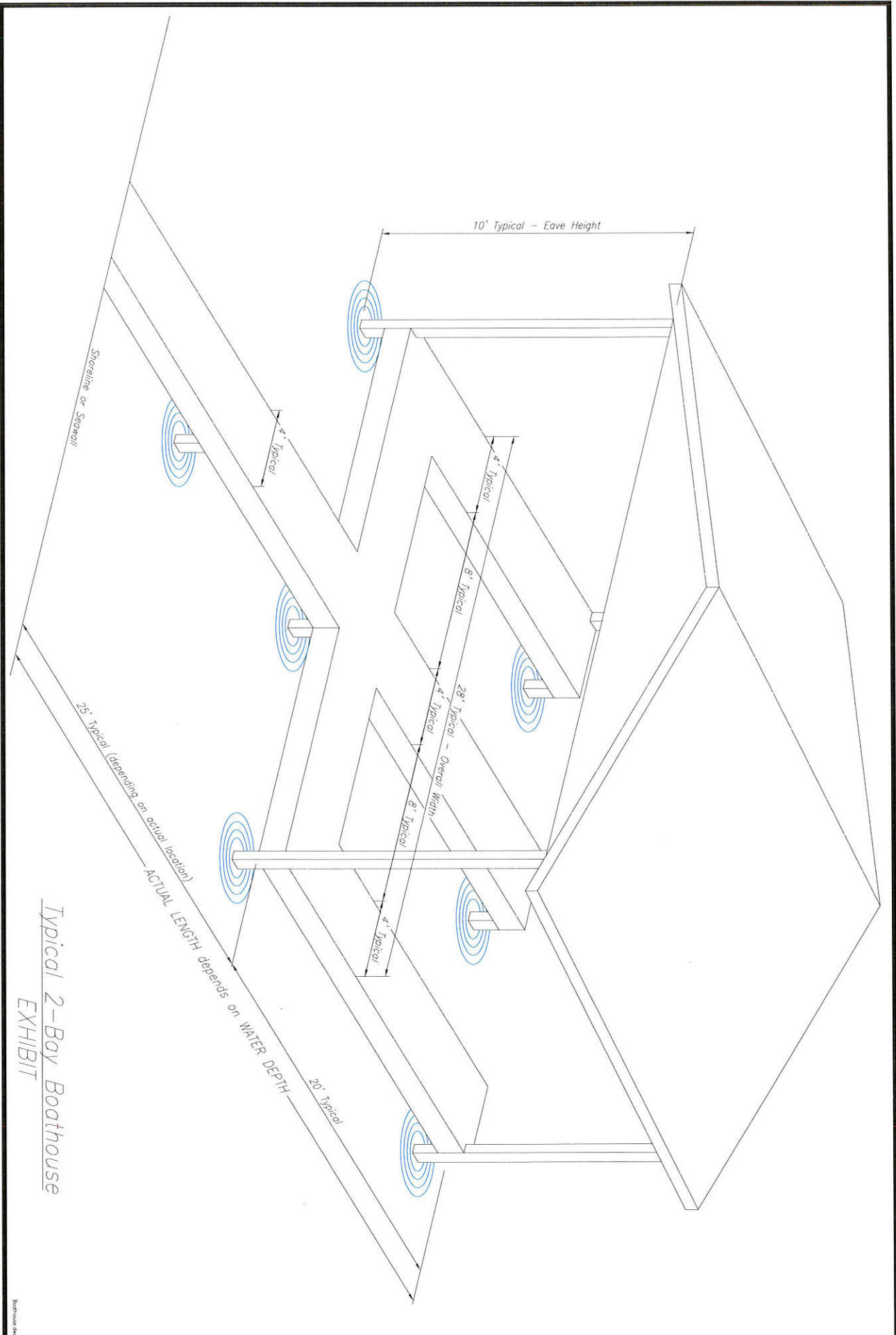
By accepting a Shoreline Permit ("Permit") and agreeing to the terms of the Permit, you agree and acknowledge that PowerSouth has a right to request, and you have an obligation to pay, any and all fees, expenses, and/or costs incurred by PowerSouth, including but not limited to attorneys' fees, relating to the enforcement of the rules, regulations, provisions, terms and/or conditions of the Permit, including, without limitation, any and all fees, expenses, and costs, including but not limited to attorneys' fees, incurred by PowerSouth relating to remedying any

action, construction or activity that is not in compliance with the terms of the Permit, whether caused by you, your family members, guests, agents, employees and/or contractors.

Applicant Statement: I have received, read, understand and agree to abide by these General Guidelines for Shoreline Permitting.

Signed: _____
Applicant

Date: _____



Typical 2-Bay Boothouse
EXHIBIT