

**POWERSOUTH ENERGY COOPERATIVE
SHORELINE PERMIT
GANTT AND POINT A LAKES**

PERMITTEE: _____ PERMIT NO. _____

THIS AGREEMENT, made and entered into this ____ day of _____, 20____,
between PowerSouth Energy Cooperative (“PowerSouth”) and _____
_____ (the “Permittee”).

WITNESSETH:

WHEREAS, PowerSouth is the owner of property rights in lands in, on and adjacent to the Conecuh River in the county of Covington, Alabama, and has constructed and is maintaining and operating two dams known as the Point A Hydro and the Gantt Hydro, under a license, as may be amended from time to time, by the Federal Energy Regulatory Commission (“FERC”) thereby creating Gantt Lake and Point A Lake (jointly, the “Lakes”), the waters of which are used or intended to be used by PowerSouth in its business of generating electrical energy;

WHEREAS, PowerSouth’s license allows PowerSouth to institute a system of permits for embankments, bulkheads, landings, retaining walls, boat launching facilities, docks, non-commercial piers, boathouses, and similar facilities existing or proposed to be constructed and maintained on project lands and/or waters by owners or lessees of land surrounding the Lakes; and

WHEREAS, the Permittee has made application in Appendix “A” as attached hereto for permission to maintain or construct and maintain certain facilities on the lands surrounding the Lakes and/or waters of the Lakes under the terms and conditions of Appendix “B” attached hereto and made a part hereof.

NOW, THEREFORE, in consideration of the payment of One Dollar (\$1.00) and other good and valuable consideration, PowerSouth hereby grants to the Permittee a license or Permit beginning on the ____ day of _____, 20____, and ending upon the expiration of the license issued by FERC to PowerSouth currently in effect, or as may be subsequently renewed or amended by FERC. This Permit allows the Permittee to maintain or construct and maintain on the lands surrounding the Lakes and/or on the waters of the Lakes those certain facilities and/or improvements described in Appendix “A” at the location and in accordance with the plans and details described therein. All construction and maintenance and the Permittee’s use of project lands and/or waters shall be subject to the “Terms and Conditions of Permit for Shoreline Permit” contained in Appendix “B” of this Permit.

This Permit is subject to cancellation or revocation at any time at the pleasure of either party hereto. However, in the event the Permittee wishes to cancel or revoke the Permit, the Permittee shall first remove the permitted facilities. Cancellation or revocation of this Permit by the Permittee shall not be effective until such permitted facilities are removed.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

PERMITTEE SIGNATURE:

POWERSOUTH ENERGY COOPERATIVE

By: _____

Witness to Permittee:

Print Name: _____

Covington County, Alabama

Sec. ____ Twns. ____ Rng. ____ Qtr. ____

GPS Lat ____° ____' ____"

Lon ____° ____' ____"

Parcel I.D.: _____

APPENDIX "A"

APPLICATION FOR LAKESHORE USE PERMIT

1. Print or type the information requested below.
2. Submit a copy of the deed to the property on which the permitted facilities are to be situated or the deed to the Applicant's property contiguous to project lands.
3. Submit one complete set of plans and specifications for the Applicant's proposal.
4. Submit all information to PowerSouth Energy Cooperative, P.O. Box 550, Andalusia, Alabama 36420, Attention: Land Management Department.

Date of Application

Name of Applicant

Telephone Area Code and Number

Home Address

City and State

TYPE OF FACILITY

- Boathouse (w/roof)
- Bulkhead
- Boat Ramp
- Seawall
- Float
- Rip Rap
- Boat Pier
- Other (Specify) _____
- Land Use (specify) _____
- Wetslip
- Walkway

Address or detailed description of location of facility:

Directions:

Home Phone Number of Applicant: _____

Cell phone number of Applicant: _____

The following party will be readily available on short-notice call and responsible for providing any needed surveillance of structure in my absence.

Name

Telephone Area Code and Number

Comments: _____

APPENDIX "B"

TERMS AND CONDITIONS OF SHORELINE PERMIT

This Permit is granted by PowerSouth and accepted by the Permittee, subject to the following terms and conditions.

1. This Permit is granted solely for the purpose described by the Permittee in Appendix "A", and Permittee shall have obtained PowerSouth's approval of the same. For facilities to be constructed, the Permittee shall have obtained PowerSouth's approval prior to beginning construction, and no addition or design change shall be made to the permitted facility once the Permit has been granted. Any addition to or substantial maintenance of existing Permitted facility made more than one year after original application shall require a new Permit. **Permittee understands that certain portions of the Lakes have been designated, and may be designated in the future, as critical habitat for various threatened or endangered species. In order to protect the critical habitat of any species that has been classified as threatened or endangered by the United States Fish and Wildlife Service, it shall be the sole responsibility of the Permittee 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.**
2. The Permittee shall at all times insure to the satisfaction of PowerSouth that the permitted facilities are constructed in such a manner as to be consistent with shoreline aesthetic values, and comply with all applicable state and local health and safety regulations. The Permittee shall also have the sole obligation of insuring that the permitted facilities are maintained in a good state of repair.
3. The Lakes are the property of PowerSouth and the hydroelectric dams were built and are being operated and maintained to hold back, retain, accumulate, store and assist in controlling the waters of the Conecuh River and its tributaries, and PowerSouth must retain the full, unconditional, unrestricted and complete right and privilege to raise or lower, restrict, control, store, retain, withhold, increase, decrease, retard, stop, obstruct, divert or use the waters of said Lakes in any manner PowerSouth, its successors and assigns, may deem expedient, and the erection, operation and maintenance by the Permittee of said facilities shall in no way interfere with such uses, regulations, or control of said Lakes or the waters thereof.
4. This Agreement constitutes a mere license for use of PowerSouth's Lakes, waters and/or the lands adjacent thereto, and Permittee hereby agrees, on behalf of himself and his heirs, administrators, successors and assigns, that he will not attempt to set up any claim of property rights or interest in or to said Lakes, waters and/or the adjacent lands of PowerSouth by reason of the occupancy or use of the permitted facilities hereunder.
5. All expenses and responsibilities for the construction and maintenance of the permitted facilities, including the expenses of obtaining all necessary Federal, State and local permits or approvals shall be borne solely by the Permittee.
6. The Permittee agrees to and does hereby release and agree to save and hold PowerSouth, its officers, agents and employees, harmless from any and all courses of action, whether at law

or in equity, or claims or demands, or from any liability of any nature whatsoever for or on account of any damages to persons or property, including the permitted facility, in any way arising out of or associated with the ownership, construction, operation, use or maintenance by the Permittee of the permitted facilities.

7. If, in the sole opinion of PowerSouth, the Permittee has failed to comply with any of the conditions hereof, or with any additional conditions imposed by PowerSouth, or any Federal, State, or local agency of the Government, the Permittee shall take appropriate action to correct said violation. If said violation shall continue for a period of thirty (30) days after notice thereof by PowerSouth, PowerSouth may in its sole discretion, cancel this Permit and require Permittee to remove, or cause to be removed from the project lands and waters within thirty (30) days, any facility constructed or maintained hereunder, at Permittee's expense.
8. The Permittee shall comply promptly with any lawful regulations or instructions of any Federal, State, or local governmental or regulatory agency.
9. The Permittee agrees that he/she will complete the facility construction within two (2) years of the Permit issuance date. This Permit shall become null and void if the construction of the permitted facility is not completed within that period. Further, the Permittee agrees the facility will be operated and maintained in a manner so as to minimize any adverse impacts upon fish and wildlife habitat and the environment.
10. This Permit is 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 property shall expeditiously apply for a Permit. The Permittee shall remain responsible for all obligations under this Permit until the new upland owner has obtained a Permit.
11. At such time that the Permittee ceases to operate and maintain the permitted facility or upon revocation of this Permit by either PowerSouth or Permittee, the Permittee shall remove the permitted facility within thirty (30) days at Permittee's expense and restore the project lands and/or waters to their former condition. If the Permittee fails to remove and so restore to the satisfaction of PowerSouth, PowerSouth may do so by contract or otherwise and recover the cost thereof from the Permittee.
12. All covered (roofed) structures, including, but not limited to boathouses, must remain open and cannot be walled or enclosed. No pier or boathouse is to be used for human habitation. Household furnishings (couches, beds, lamps, appliances, etc.) are not permitted on boat piers or boathouses.
13. No charge may be made for the use of the permitted facility, nor shall any commercial activity be engaged in thereon.
14. The size of all facilities shall be limited to the size shown on Appendix "A" attached hereto in order to limit encroachment on the surface of the Lakes.
15. Boat mooring buoys and flotation units of floating facilities shall be constructed of materials which will not become waterlogged or sink when punctured.

16. Floating facilities shall be securely anchored in accordance with the approved plans so that such floating facilities do not obstruct the use of the Lake.
17. If provided by PowerSouth, the Permittee will post and maintain a display Permit Tag on the facility or on the land areas covered by the Permit so that it can be visually checked with ease from the water.
18. The Permittee's ownership, construction, operation and/or maintenance of the permitted facility shall in no way unreasonably interfere with or obstruct others' navigation of or on the Lakes.
19. The Permittee agrees that if subsequent operations by PowerSouth require an alteration in the location of the permitted facility, or if in the opinion of PowerSouth, the permitted facility shall cause unreasonable obstruction to navigation or that the public interest so requires, the Permittee shall be required, upon written notice from PowerSouth, to remove, alter, or relocate the permitted facility, without expense to PowerSouth.
20. PowerSouth shall in no case be liable for any damage or injury to the permitted facility which may be caused by or result from subsequent operations or actions undertaken by PowerSouth, or any Federal, State, local or regulatory agency of the Government, for the improvement of navigation or for other lawful purposes, including but not limited to the protection of areas designated as critical habitat for "endangered" or "threatened" species, and no claims or right to compensation shall accrue from any such damage.
21. The ownership, construction, operation and maintenance of the permitted facility shall be subject to all applicable Federal, State, and local laws and regulations.
22. The Permittee understands and agrees that this Permit does not convey any property rights of any nature or kind whatsoever to the Permittee, or the successors, assigns or heirs of the Permittee. The Permittee further understands and agrees that this Permit does not authorize any injury to private property or invasion of private rights or any infringement of Federal, State or local laws or regulations, nor does it eliminate the necessity of obtaining any and all necessary Federal, State, or local authorizations, approvals or permits required by law, for the construction, operation, or maintenance of the permitted facility.
23. PowerSouth may revoke this Permit by providing thirty (30) days' written notice mailed to the Permittee by registered or certified letter whenever it determines that the public interest necessitates such revocation or when it determines that the Permittee has failed to comply with the conditions of this Permit. The revocation notice shall specify the reasons for such revocation.
24. Notwithstanding the preceding condition, if in the opinion of PowerSouth emergency circumstances dictate otherwise, PowerSouth may summarily and immediately revoke this Permit.
25. The Permittee shall be solely responsible and liable for the proper design, engineering, construction, and maintenance of the proposed facility. PowerSouth's review and approval of the plans do not constitute a guarantee or assurance that Permittee's plans are safe, proper or adequate for the purpose intended.

26. It is understood and agreed by and between PowerSouth and Permittee that part of the consideration for the granting of this Permit for shoreline use is the Permittee's agreement to cooperate with and participate in the program of solid waste disposal in effect in the area of the permitted facility. Further, Permittee is to keep lands and waters occupied by and surrounding the permitted facility, free of all waste, garbage, and other unsightly debris and materials and is to comply with all local health rules and regulations.
27. The Permittee agrees that the permitted facility will be maintained and operated in a manner so as not to interfere with or adversely impact any species identified or designated as "threatened" or "endangered" by the United States Fish and Wildlife Service, or the critical habitat thereof.
28. The Permittee understands and agrees that no authorization or statement within this Permit gives the Permittee the right to violate any local, state or federal law nor does it relieve the Permittee of the need to obtain other applicable federal, state and local permits. The Permittee further understands and agrees that no authorization or statement within this Permit gives the Permittee the right to modify, alter, disturb or in any way adversely impact those species that are designated as threatened or endangered under the Endangered Species Act, or their critical habitat.
29. It shall be the responsibility of the Permittee to notify any subsequent upland purchasers of the existence of this Permit. The Permittee shall remain liable for all of its obligations under this Permit until such time as the new upland owner executes and receives a valid Permit.