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NORTH CAROLINA MUNICIPAL POWER AGENCY NUMBER 1
AMENDED AND RESTATED PROJECT POWER SALES AGREEMENT
CATAWBA NUCLEAR PROJECT

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NORTH CAROLINA MUNICIPAL POWER AGENCY NUMBER 1
AMENDED AND RESTATED PROJECT POWER SALES AGREEMENT
CATAWBA NUCLEAR PROJECT

THIS AGREEMENT is dated as of January 23, 2026, by North Carolina Municipal Power Agency Number 1, a joint agency of the State of North Carolina (“Power Agency”), and the Town of Pineville, a municipality of the State of North Carolina (the “Participant”). Capitalized terms not defined in Section 1 or otherwise herein shall have the meanings assigned thereto in the Project Agreements (hereinafter defined).

WHEREAS, Power Agency has heretofore been duly organized as a public body and a body corporate and politic under the laws of the State of North Carolina (G.S. Chapter 159B) and, among other things, is authorized to study, plan, finance, construct, reconstruct, acquire, improve, enlarge, extend, better, own, operate, and maintain systems or facilities or any interests therein for the generation, transmission and transformation, or any of them, of electric power and energy, jointly with other public or private entities engaged in the generation, transmission, or distribution of electric power and energy for resale within the State of North Carolina or any state contiguous thereto, is authorized to sell for resale electric power and energy and is authorized to issue its bonds, subject to the approval of the Local Government Commission of the State of North Carolina, for the purpose of providing funds for any of its corporate purposes; and

WHEREAS, the Participant is a city or town created under the laws of the State of North Carolina, owning a system or facilities for the generation, transmission, or distribution of electric power and energy for public and private use, and is authorized by said laws to contract to buy from Power Agency some or all of the power and energy required for its present or future requirements; and

WHEREAS, Power Agency owns and manages the maintenance and operations of a 75% undivided ownership interest in Unit 2 and a 37.5% undivided ownership interest in the Support Facilities of the Catawba Nuclear Station for the supply of power and energy to the Participant and all other Participants contracting with Power Agency pursuant to Project Power Sales Agreements substantially identical to this Agreement and providing in the aggregate for the purchase by the Participants of 100% of the Participants' Shares of Project Output, all pursuant to Article V, Section 10, of the Constitution of North Carolina and Chapter 159B of the General Statutes of North Carolina ("Chapter 159B"); and

WHEREAS, Power Agency has determined that the Project is required to provide for a portion of the projected needs for power and energy of the Participants in accordance with Chapter 159B; and

WHEREAS, Power Agency, in determining the future power requirements of the Participants has taken into account the factors included in Chapter 159B; and

WHEREAS, Power Agency has entered into the Project Agreements with Duke with respect to the purchase, construction, operation, and fueling of the Project and interconnection of the Project with Duke's transmission system, including backstand and reliability exchange provisions; and

WHEREAS, Power Agency and the Participant are parties to that certain Project Power Sales Agreement, dated May 1, 1978, and subsequently amended October 31, 1984, April 15, 2005, and July 28, 2023, that provides for the sale of Project Output through December 31, 2032; and

WHEREAS, this Agreement amends and restates that certain Project Power Sales Agreement, dated May 1, 1978, by and between the Power Agency and Participant to effect sales

of Project Output beginning on January 1, 2033 and to amend and restate the obligations therein as of January 1, 2033.

NOW, THEREFORE, the parties hereto mutually agree as follows:

SECTION 1. Definitions. The singular of any term defined in this Agreement shall encompass the plural, and the plural the singular, unless the context indicates otherwise.

(a) “Annual Budget” means the budget adopted by Power Agency pursuant to Section 5(a) which itemizes the estimated Monthly Project Power Costs during a Contract Year or, in the case of an amended Annual Budget, during the remainder of a Contract Year.

(b) “Billing Statement” means the written statement prepared monthly by Power Agency and delivered to the Participant pursuant to Section 5(b) which shows the amounts to be paid for such month to Power Agency by the Participant as the Participant’s Share of the Monthly Project Power Costs.

(c) “Bond Resolution” means Resolution No. R-16-78 adopted by the Board of Commissioners of the Power Agency on November 16, 1978, as amended and as the same may be further amended or supplemented, pursuant to which the Bonds are issued as well as any new bond resolution for the Project that the Power Agency may adopt in the future.

(d) “Bonds” means bonds issued from time to time pursuant to and under authority of the Bond Resolution (i) to pay Costs of Acquisition and Construction and (ii) for the purposes authorized by Section 14.

(e) “Catawba Nuclear Station” means the nuclear fueled generation facility consisting of two units, Unit 1 and Unit 2, and Support Facilities located on Lake Wylie in York County, South Carolina, as more particularly described in the Sales Agreement and defined therein as the “Catawba Nuclear Station”.

(f) “Consulting Engineer” means the consulting engineer or engineering firm or corporation appointed pursuant to Section 15 hereof.

(g) “Contract Year” means the 12-month period commencing 12:01 A.M. local time on January 1 of each year during the term of this Agreement and ending midnight local time on the December 31 next following (or such other 12-month period as Power Agency shall determine); provided, however, that the first Contract Year shall commence at 12:01 A.M. local time on January 1, 2033 and the last Contract Year shall end at midnight local time on the date of expiration or prior termination of this Agreement as provided in Section 2.

(h) “Costs of Acquisition and Construction” means, to the extent not included in Monthly Project Power Costs, all costs of studying, planning, engineering, acquiring, constructing, financing, carrying out, and placing in operation the Project, and giving effect to the arrangements provided for under the Project Agreements after taking into account credits with respect thereto), whether heretofore or hereafter paid or incurred by Power Agency, and shall include, but shall not be limited to, funds required for:

(1) all costs required to be borrowed by Power Agency under the Sales Agreement and, where applicable, the Operating Agreement, all as affected by the exchange payment provisions of Article 14 of the Interconnection Agreement;

(2) working capital in such amounts as may be reasonably deemed necessary by Power Agency;

(3) the deposit or deposits from the proceeds of Bonds in any fund or account established pursuant to the Bond Resolution to meet debt service reserve requirements for Bonds;

(4) the deposit or deposits from the proceeds of Bonds in any fund, or accounts established pursuant to the Bond Resolution as reserves for renewals, replacements, and contingencies, and for retirement from service, decommissioning, or termination;

(5) all federal, state, and local taxes and payments in lieu of taxes legally required to be paid;

(6) the payment of the principal of and premium, if any, and interest on notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds for the payment of the Costs of Acquisition and Construction;

(7) the costs and expenses incurred in connection with the issuance and sale of Bonds, including bond discounts and fees and expenses of trustees and paying agents;

(8) reimbursements of amounts advanced with respect to the Project by the Participants;

(9) all costs and expenses relating to injury and damage claims arising out of the acquisition and construction of the Project, including deferred premiums and the cost of maintaining any guarantee of payment thereof required pursuant to the Atomic Energy Act of 1954, as amended from time to time, or any successor statute;

(10) preliminary survey, investigation, and development costs; engineering fees; contractors' fees; costs of obtaining permits, licenses, and approvals; costs of labor, materials, equipment, lands, rights of way, franchises, easements, and other interests in land, repairs, betterments, utility services, and supplies; payments to other public agencies; training and testing costs; insurance premiums; legal and financing costs; and administrative and general costs; and

(11) all costs incurred or associated with the salvage, discontinuance, decommissioning, and disposition or sale of properties required to be paid by Power Agency in accordance with the Project Agreements.

(i) “Duke” means Duke Energy Carolinas, LLC, a corporation organized and existing under the laws of the State of North Carolina, or any successors and assigns.

(j) “Electric System” means all properties and assets, real and personal and tangible and intangible, of the Participant now or hereafter existing, used or pertaining to the generation, transmission, transformation, distribution, and sale of electric power and energy, including all additions, extensions, expansions, improvements, and betterments thereto, however, that to the extent the Participant is not the sole owner of an asset or property, only the Participant’s ownership interest in such asset or property shall be considered to be, part of its Electric System.

(k) “Interconnection Agreement” means the agreement dated as of March 6, 1978, and amended from time to time, between Power Agency and Duke known as the Catawba Nuclear Station Interconnection Agreement providing for interconnection between the Duke transmission system and the Catawba Nuclear Station, exchange of power between Unit 1 and Unit 2 of the Catawba Nuclear Station and between the Catawba Nuclear Station units and the McGuire Nuclear Station units owned by Duke, backstand provisions, retained capacity from the Project, purchased capacity and energy and surplus energy sales from the Project, the purchase of supplemental capacity and energy, transmission service and other matters, as the same may be modified, amended, or supplemented from time to time.

(l) “Monthly Project Power Costs” means, to the extent not included in the Costs of Acquisition and Construction or payable under the Supplemental Power Sales Agreements, all of Power Agency’s costs that are paid or incurred by Power Agency during each month or each

Contract Year resulting from the ownership, operation, maintenance, termination, retirement from service, and decommissioning of, and necessary repairs, renewals, replacements, additions, improvements, betterments, and modifications to, the Project and giving effect to the arrangements provided for under the Project Agreements (after taking into account credits with respect thereto), and the providing of reserves for such purposes, including, but not limited to, the following items of cost:

(1) the amount which may be required by Power Agency during such month to pay costs pursuant to the Operating Agreement, as affected by the exchange payment provisions of Article 14 of the Interconnection Agreement, plus the payments required for the McGuire Reliability Exchange pursuant to Article 5 and Section 8.2, or Article 11, all of the Interconnection Agreement, plus the payments for Replacement Energy (as defined in the Interconnection Agreement) pursuant to Section 8.1(c) of the Interconnection Agreement, less revenues received from sales of Project Output to other than the Participants, including, but not limited to, payments received from Central Electric Power Cooperative, Inc. pursuant to the Power Purchase Agreement dated as of June 5, 2023, and payments received from Duke for Purchased Capacity, Purchased Energy and Surplus Energy pursuant to the Interconnection Agreement and for Duke's Reliability Exchange Entitlement from the Catawba Nuclear Station pursuant to the McGuire Reliability Exchange as provided in Section 10.2(b) of the Interconnection Agreement;

(2) the amount (calculated without reference to any acceleration for default under the Bond Resolution) which Power Agency is required under the Bond Resolution to pay or deposit during such month from the Revenue Fund into the Bond Fund established by the Bond Resolution for the payment of the principal of and premium, if any, and interest

on the Bonds and for reserves with respect thereto (as the terms “Revenue Fund” and “Bond Fund” or substantially equivalent terms are defined in the Bond Resolution);

(3) the amount required under the Bond Resolution to be paid or deposited during such month into any fund or account established by the Bond Resolution, other than funds and accounts referred to in clause (2) above;

(4) (a) to the extent funds are not otherwise available, the payment of the principal of and premium, if any, and interest on notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds for the payment of the Costs of Acquisition and Construction or for the purposes specified in Section 14;

(4) (b) the payment of the principal of and premium, if any, and interest on Subordinated Debt;

(4) (c) all costs and expenses relating to the issuance, security, and payment of (i) notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds for payment of the Costs of Acquisition and Construction and (ii) Subordinated Debt, in each case including without limitation costs and expenses associated with the insurance contracts, agreements for lines of credit, letters of credits, commitments to purchase such notes or other evidences of indebtedness or Subordinated Debt, depositaries for safekeeping and agents for delivery and payment;

(5) all costs incurred or associated with the salvage, discontinuance, decommissioning, and disposition or sale of properties required to be paid by Power Agency in accordance with the Project Agreements, including, but not limited to, all of Power Agency’s accrued costs and liabilities resulting from Power Agency’s ownership,

acquisition, construction, operation (including cost of fuel), maintenance, and renewals and replacements;

(6) all costs and expenses relating to injury and damage claims required to be paid by Power Agency pursuant to the Project Agreements, including deferred premiums and the cost of maintaining any guarantee of payment thereof required pursuant to the Atomic Energy Act of 1954, as amended from time to time, or any successor statute; provided, however, that in no event shall Monthly Project Power Costs include any public liability of Power Agency for a nuclear incident in excess of that provided under the Atomic Energy Act of 1954, as amended from time to time, or any successor statute; and

(7) any other costs incurred by Power Agency during such month (including, but not limited to, operation, maintenance, and repair costs and working capital and reserves deemed necessary therefor by Power Agency, administrative and general expenses, taxes, insurance, and overhead) not included in the costs herein before specified.

(m) "Operating Agreement" means the agreement dated as of March 6, 1978, between Power Agency and Duke known as the Catawba Nuclear Station Operating and Fuel Agreement, providing for the operation, maintenance, and fueling of the Catawba Nuclear Station, the making of renewals, capital additions, and replacements therefor and the decommissioning thereof, as the same may be modified, amended, or supplemented from time to time.

(n) "Participants" means those entities specified in Exhibit A hereto.

(o) "Participant's Share" is as defined in and calculated pursuant to Exhibit B attached hereto, which may be adjusted as provided in Sections 6 and 12 of this Agreement.

(p) "Power Agency" means North Carolina Municipal Power Agency Number 1, a joint agency of the State of North Carolina.

(q) "Project" means Power Agency's 75% undivided ownership interest in Unit 2 of the Catawba Nuclear Station and 37.5% undivided ownership interest in the Support Facilities of the Catawba Nuclear Station.

(r) "Project Agreements" means, collectively, the Sales Agreement, the Operating Agreement, and the Interconnection Agreement.

(s) "Project Output" means the amounts of electric power and energy, if any, to which Power Agency is entitled at any particular time pursuant to the Interconnection Agreement.

(t) "Project Power Sales Agreements" means this Agreement and all other agreements substantially identical to this Agreement entered into by Power Agency and the Participants.

(u) "Reliability Exchanges" means those provisions of the Interconnection Agreement which provide for the exchange of capability and output from the Project for capability and output from Unit 1 of the Catawba Nuclear Station and the exchange of capability and output from the Catawba Nuclear Station units for capability and output from the McGuire Nuclear Station owned by Duke.

(v) "Revenues" means all income, rents, rates, fees, charges, and other moneys derived by the Participant from the ownership or operation of its Electric System, including, without limiting the generality of the foregoing, (i) all income, rents, rates, fees, charges, or other moneys derived from the sale, furnishing, and supplying of the electric power and energy and other services, facilities, and commodities sold, furnished, or supplied through the facilities of the Electric System; (ii) the earnings on and income derived from the investment of such income, rents, rates, fees, charges, or other moneys to the extent that the use of such earnings and income is limited by or pursuant to law to the Electric System; and (iii) the proceeds derived by the Participant directly or

indirectly from the sale, lease, or other disposition of a part of the Electric System as permitted by clauses (1) and (2) of paragraph (d) of Section 6, but the term "Revenues" shall not include customers' deposits or any other deposits subject to refund until such deposits have become the property of the Participant.

(w) "Sales Agreement" means the agreement, dated as of March 6, 1978, between Power Agency and Duke known as the Catawba Nuclear Station Purchase, Construction, and Ownership Agreement, providing for the construction, initial fueling, and placing into commercial operation of the Catawba Nuclear Station and for the sale to Power Agency of the Project, as the same may be modified, amended, or supplemented from time to time.

(x) "Support Facilities" means facilities at the Catawba Nuclear Station which are not a part of or identified with Unit 1 or Unit 2 thereof, as more particularly described in the Sales Agreement and defined therein as the "Support Facilities".

(y) "Usual Utility Practice" at a particular time means any of the practices, methods, and acts which, in the exercise of reasonable judgment in the light of the facts (including but not limited to the practices, methods, and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) known at the time the decision was made, would have been expected to accomplish the desired result at a reasonable cost consistent with reliability and safety. Usual Utility Practice is not intended to be limited to the optimum practice, method, or act, to the exclusion of all others, but rather to be a number of possible practices, methods, or acts. In evaluating whether any matter conforms to Usual Utility Practice as used in this Agreement, the parties hereto shall take into account (i) the fact that Power Agency and each Participant is a public body and a body corporate and politic organized under the laws of the State of North Carolina, with the statutory duties and responsibilities thereof; (ii) the objectives to integrate the Project Output

with the other resources of the Participants, including such resources and electric capacity and energy purchased under contract, to achieve optimum utilization of the resources and achieve efficient and economical operation of each system; and (iii) the Project Agreements.

(z) “Subordinated Debt” means any bonds, notes, certificates, warrants, or other evidences of indebtedness issued for the payment of the Costs of Acquisition and Construction, or for the purposes specified in Section 14 hereof, or for any other purpose in connection with the Project (including without limitation an administrative building or office, including land therefor, together with any administrative equipment and facilities, for use in whole or in part by Power Agency) as authorized by the resolution authorizing the issuance of any such Subordinated Debt, which are payable as to principal and interest from the Revenues subject and subordinate to the deposits and credits required to be made pursuant to the Bond Resolution from the Revenues and Revenue Fund into the Operating Fund, the Bond Fund, the Reserve and Contingency Fund, and the Decommissioning Fund (as the terms “Revenue Fund,” “Operating Fund,” “Bond Fund,” “Reserve and Contingency Fund,” and “Decommissioning Fund” are defined in the Bond Resolution).

SECTION 2. Term of Agreement. This Agreement shall become effective on January 1, 2033, and its effectiveness is conditioned upon the execution and delivery of Project Power Sale Agreements by Power Agency and all Participants in a form materially identical to this Agreement¹. This Agreement shall expire on the earlier of (i) December 5, 2043, or (ii) the date upon which the last unit at the Catawba Nuclear Station, whether Unit 1 or Unit 2, is retired. Neither termination nor expiration of this Agreement shall affect any accrued liability or obligation hereunder, including, but not limited to, cost of decommissioning.

SECTION 3. Financing, Acquisition, Construction, Operation and Maintenance. Power Agency, in good faith and in accordance with the provisions of the Project Agreements, shall use its best efforts in accordance with Usual Utility Practice: (i) to undertake, or cause to be undertaken, the study, planning, engineering, design, financing, construction, acquisition, operation, and maintenance of the Project; (ii) to obtain, or cause to be obtained, Federal, state, and local permits, licenses, and other rights and regulatory approvals necessary for the financing, construction, acquisition, operation, and maintenance of the Project; and (iii) to issue and sell Bonds, or notes or other evidences of indebtedness issued in anticipation of the issuance of Bonds, or Subordinated Debt; to finance the Costs of Acquisition and Construction; and to finance the costs referred to in Section 14 hereof, not otherwise provided for, as permitted by the terms of the Bond Resolution provided that, in each such case, Bonds, such notes or other evidences of indebtedness, or Subordinated Debt may then be legally issued and sold.

SECTION 4. Sale and Purchase of Participant's Share. During each Contract Year, Power Agency hereby sells, and Participant hereby purchases, its Participant's Share of Project Output. At any particular time during the term of this Agreement, the amounts of Project Output to which the Power Agency is entitled shall be calculated by giving effect to any sales thereof by Power Agency pursuant to power purchase agreements approved by all of the Participants.

The Participant covenants and agrees that it will not use or permit to be used any Project Output acquired hereunder in any manner or for any purpose which would cause any Bond which at the time of issuance thereof was not subject to treatment as an "industrial development bond," as defined in subsection (b)(2) of Section 103 of the Internal Revenue Code of 1954, as amended, of the United States of America as then in effect ("1954 Code"), to be subject to treatment under subsection (b)(1) of said Section 103 as an obligation not described in subsection (a)(1) of said

Section 103, or (2) a “private activity bond,” as defined in section 141 of the Internal Revenue Code of 1986, as amended, of the United States of America as then in effect (the “1986 Code”), to be subject to treatment under subsection (b)(1) of Section 103 of the 1986 Code as an obligation not described in subsection (a) of Section 103 of the 1986 Code. The Participant, prior to entering into any contract whereby a non-exempt person as defined under Section 103(b)(2) of the 1954 Code or a person other than a governmental unit agrees to take, or to take or pay for or that would otherwise result in private business use under Section 141 of the 1986 Code, Project Output, shall notify Power Agency of its intent to enter into such a contract which notice shall describe such contract in reasonable detail. As soon after receipt of such notice as is practicable, Power Agency shall advise the Participant in writing as to whether in its opinion the entering into of such contract would result in the violation of the foregoing covenant, and the Participant agrees that if Power Agency so advises the Participant that such a violation would result, it shall not enter into such contract.

It is expressly understood and agreed that Power Agency does not hereby contract to furnish the Participant electric power for pumping water for extinguishing fires.

SECTION 5. Annual Budget and Billing Statements; Payments by the Participant.

(a) Prior to each Contract Year, Power Agency shall send to the Participant via either U.S. mail or electronic means a proposed Annual Budget for the Contract Year and shall adopt and send to the Participant, in the same manner that it sent the proposed Annual Budget for the Contract Year, an Annual Budget for the Contract Year. During each Contract Year, Power Agency shall review at least quarterly, and at such other times as Power Agency deems desirable, the Annual Budget for the Contract Year. In the event such review indicates that the Annual Budget does not or will not substantially correspond with actual receipts and expenditures, or if at any time

during such Contract Year there are or are expected to be extraordinary receipts, credits, or costs substantially affecting the Monthly Project Power Costs, Power Agency shall adopt and send to the Participant, via either U.S. mail or electronic means, an amended Annual Budget which shall supersede the Annual Budget or amended Annual Budget theretofore provided as the basis for the determination of Monthly Project Power Costs for the remainder of such Contract Year.

(b) Beginning with the first full month of the first Contract Year and every month of a Contract Year thereafter, not later than the tenth day of such month, Power Agency shall prepare, date, and on such date send to the Participant, via electronic means, a Billing Statement showing (i) the amount payable by the Participant as the Participant's Share of the Monthly Project Power Costs for the preceding month; (ii) the amount, if any, to be credited against Monthly Project Power Costs pursuant to paragraph (g) of this Section; and (iii) any other amounts payable by or credited to the Participant pursuant to this Agreement and not payable or credited pursuant to clauses (i) and (ii) of this paragraph.

(c) The amounts shown in the Billing Statement are to be paid by electronic means to Power Agency by the Participant and shall be due and payable ten (10) days after the date of the Billing Statement, and any amounts due and not paid by the Participant within fifteen (15) days after the date of the Billing Statement shall bear interest from the due date until paid, at the rate of one percent (1%) per month.

(d) In each Contract Year, the Participant shall pay to Power Agency, for the Participant's Share of Project Output, the Participant's Share of the Monthly Project Power Costs for such Contract Year. Such payments shall be made to Power Agency under this Agreement whether or not the Project is operable, operating, or retired and notwithstanding the suspension, interruption, interference, reduction, or curtailment of the Project Output or the power and energy

contracted for in whole or in part, for any reason whatsoever. Such payments shall not be subject to any reduction, whether by offset or otherwise, and shall not be conditioned upon the performance by the Power Agency or any other Participant under this or any other agreement or instrument, the remedy for any non-performance being limited to mandamus, specific performance, or other legal or equitable remedy.

(e) In the event of any dispute as to any portion of any Billing Statement, the Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to Power Agency not later than sixty (60) days after payment is due. Such notice shall identify the disputed bill, state the amount in dispute, and set forth a full statement of the grounds on which such dispute is based. No adjustment shall be considered or made for disputed charges unless notice is given as aforesaid. Power Agency shall give consideration to such dispute and shall advise the Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement, arbitration, adjudication, or otherwise) of the correct amount, there shall be made an appropriate adjustment to the Billing Statement next submitted to the Participant after such determination.

(f) On or before the first day of May following each Contract Year, Power Agency shall prepare and deliver to the Participant a detailed statement of the aggregate Monthly Project Power Costs and the Participant's Share thereof and any adjustment of or credit to the Participant's Share thereof pursuant to paragraph (g) of this Section 5 or under the Bond Resolution and other amounts payable by or credited to the Participant pursuant hereto for all of the months of such Contract Year. Such statement shall also identify adjustments of the aggregate Monthly Project Power Costs, if any, for any prior Contract Year and the Participant's Share thereof and any adjustment of or credit to the Participant's Share thereof pursuant to paragraph (g) of this Section 5,

based on the annual audit of accounts provided for in Section 8 hereof. If, on the basis of the statement submitted as provided in this paragraph (f), the actual aggregate Monthly Project Power Costs and the Participant's Share thereof and any adjustment of or credit to the Participant's Share thereof pursuant to paragraph (g) of this Section 5 or under the Bond Resolution and other amounts payable for any Contract Year exceed the estimate thereof on the basis of which the Participant has been billed, Power Agency shall add any such amounts to the Participant's next Billing Statement pursuant to this Section. If, on the basis of the statement submitted pursuant to this paragraph (f), the actual aggregate Monthly Project Power Costs and the Participant's Share thereof and any adjustment of or credit to the Participant's Share thereof pursuant to paragraph (g) of this Section 5 or under the Bond Resolution and other amounts payable for any Contract Year are less than the estimate therefor on the basis of which the Participant has been billed, Power Agency shall credit such excess against the Participant's next Billing Statement pursuant to this Section 5.

(g) To the extent not credited or to be credited against the Costs of Acquisition and Construction and to the extent not reflected as an offset to any charge made by Duke to Power Agency for costs included in Monthly Project Power Costs, all receipts; revenues; and other moneys received by or credited to Power Agency under the Project Agreements and from insurance proceeds, condemnation awards, damages in connection with the Project collected from contractors, subcontractors, or others; and proceeds from the sale or other disposition of assets (including surplus property), all related to the Project, shall, unless the Bond Resolution or the Project Agreements make contrary provision, be credited against the Monthly Project Power Costs.

(h) At the earliest reasonable time after decommissioning of the Catawba Nuclear Station, Power Agency shall prepare, date, and on such date send to the Participant via electronic means a final accounting statement showing the remaining obligations and liabilities for

which Power Agency is responsible under the Bond Resolution and the Project Agreements and the costs to Power Agency of discharging and satisfying the same. The final accounting statement shall credit to the Participants, and deduct from any amount otherwise chargeable to them, the fair market value of any assets related to the Project then retained by Power Agency. If the final accounting statement shows that such obligations and liabilities exceed such credits after application by Power Agency of all other funds available for such purpose, the Participant shall pay Power Agency a sum determined by multiplying the amount shown to be due in such accounting statement by the Participant's Share. If the final accounting statement shows that such obligations and liabilities are less than such credits after application by Power Agency of all other funds available for such purpose, Power Agency shall pay the Participant a sum determined by multiplying the amount of the excess credit by the Participant's Share. The final accounting statement shall be sent via electronic means, and amounts due thereunder shall be paid in the same manner and under the same terms and conditions as is provided herein with respect to Billing Statements or as otherwise agreed by the Participant and Power Agency. The Parties' obligations under this Section 5(h) shall survive the expiration or earlier termination of this Agreement.

SECTION 6. Source payments by the Participants; Certain Obligations of Participants.

(a) The obligations of the Participant to make the payments under Section 5 shall be an operating expense of its Electric System. The Participant shall not be required to make any payments to Power Agency under this Agreement except from its Revenues.

(b) The Participant covenants and agrees that it will fix, charge, and collect rents, rates, fees, and charges for electric power and energy and other services, facilities, and commodities sold, furnished, or supplied through the facilities of its Electric System sufficient to provide Revenues adequate to meet its obligations under this Agreement, and to pay any and all

other amounts payable from or constituting a charge and lien upon such Revenues, including amounts sufficient to pay the principal of and interest on all general obligation bonds heretofore or hereafter issued by the Participant to finance its Electric System.

(c) The Participant covenants and agrees that in accordance with Usual Utility Practice it (i) shall at all times operate the properties of its Electric System and the business in connection therewith in an efficient manner and at reasonable cost; (ii) shall maintain its Electric System in good repair, working order, and condition; and (iii) shall from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments, and furnishings to its Electric System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted.

(d) The Participant further covenants and agrees that it shall not abandon, sell, mortgage, lease, or otherwise dispose of or encumber its Electric System or any part thereof except as permitted by the following provisions of this paragraph (d):

(1) The Participant may, in the ordinary course of the business of operating and maintaining its Electric System, abandon, scrap, trade-in, sell, or otherwise dispose of any property or equipment if the Participant determines that such property or equipment is surplus, obsolete, or otherwise not required for the operation and maintenance of its Electric System.

(2) The Participant may abandon, sell, lease, mortgage, or otherwise dispose of or encumber any property and equipment if the Participant determines, with the written concurrence of Power Agency, that, taking into account past and current operating results of its Electric System and any replacements or intended replacements for such property and equipment to be disposed of, the proposed action will not have a material adverse effect

on its Revenues or on the operations of its Electric System, or materially increase the operating and maintenance expenses of its Electric System.

(3) The Participant may abandon, sell, mortgage, lease, or otherwise dispose of or encumber its Electric System but only if (i) the Participant has assigned and transferred this Agreement and all interests herein (including Project Output) to one or more other Participants who have assumed all of the transferor Participant's duties and obligations hereunder, in which case the transferor Participant shall be relieved from all such duties and obligations and (ii) the transferee Participant has assumed the obligation of serving the load of the transferor Participant; provided, however, that no such assignment or transfer shall be made at any time if the same would cause the aggregate Participants' Shares assigned or transferred pursuant to the provisions of clause (i) above to exceed twenty-five percent (25%) of Project Output. Any disposition or encumbrance permitted by this clause (3) shall be subject to the assignment provisions of Section 22.

(4) The Participant may merge or consolidate its Electric System with, or such Electric System may be merged or consolidated into, the Electric Systems of one or more other Participants.

(5) The Participant may merge or consolidate with, or be merged or consolidated into, one or more units of local government which shall have assumed all of the Participant's duties and obligations hereunder, in which event the transferor participant shall be relieved from all such duties and obligations, but only if the Local Government Commission of the State of North Carolina shall have determined that after such merger or consolidation the survivor unit of local government will have the ability to meet the obligations of such Participant hereunder.

(6) In the event of a disposition or encumbrance permitted by clause (3) or a merger or consolidation permitted by clauses (4) and (5) of this paragraph (d), the Participant shall provide to Power Agency a counsel's opinion satisfactory in form and substance to counsel to Power Agency that, (i) in the event of such a disposition or encumbrance, the transferee Participant has assumed and become liable for the duties and obligations of the transferor Participant to the extent of the transferor Participant's Share obtained and has agreed to assume the obligations of paragraphs (b) and (c) of this Section or (ii) in the event of such a merger or consolidation, that following such merger or consolidation, the Electric System or unit of local government (if not the Participant), as the case may be, surviving such merger or consolidation shall remain or shall have become subject to this Agreement and liable for the duties and obligations of the Participant hereunder to the same extent that such Electric System or Participant had been so subject prior to such merger or consolidation and has agreed to assume the obligations of paragraphs (b) and (c) of this Section.

(e) The Participant shall not issue bonds, notes, or other evidences of indebtedness, or enter into an agreement to take or to take or pay for power and energy from a project, payable from its Revenues on a parity with or superior to the payment of operating expenses of its Electric System (including Monthly Project Power Costs hereunder) unless an independent consulting engineer or engineering firm or corporation having a national and favorable reputation for special skill, knowledge, and experience in analyzing the operations of electric utility systems shall render and file with Power Agency a written opinion that the facilities for the financing of which the bonds, notes, or other evidences of indebtedness are being issued or with respect to which such agreement is being entered into are (or were when the Participant committed itself to them by

contract or financing) reasonably expected to properly and advantageously contribute to the conduct of the business of its Electric System in an efficient and economical manner consistent with Usual Utility Practice.

(f) The Participant shall take no action the effect of which would be to prevent, hinder, or delay Power Agency from the timely fulfillment of its obligations under this Agreement, the Project Agreements, the Bond Resolution, the Bonds, other securities or evidences of indebtedness issued to provide the amounts due and payable by Power Agency under the Sales Agreement, any agreements between Power Agency and Duke or between Power Agency and any Participant relating to Distribution Delivery Stations (as defined in the Interconnection Agreement), or any other agreement between Power Agency and any Participant.

SECTION 7. Dispatch; Metering; Deliveries. The Project Output will be dispatched, metered, and delivered in accordance with the Interconnection Agreement at the point in the Catawba Nuclear Station switchyard where the Project interconnects with the facilities of Duke as specified and defined in the Interconnection Agreement.

SECTION 8. Records; Accounts; Reports; Audits. Power Agency shall keep accurate records, accounts, and information supporting costs and related allocations associated with the Project and Project Output, direct and indirect, separate and distinct from its other records and accounts. Such records and accounts shall be audited annually by a firm of certified public accountants, experienced in electric utility accounting and of national reputation, to be employed by Power Agency. Such records and accounts and such annual audit, including all written comments and recommendations of such accountants, shall be made available for inspection by the Participant at any reasonable time at the principal office of Power Agency.

The Participant shall keep accurate records and accounts for its Electric System, separate and distinct from its other records and accounts. Such records and accounts shall be audited annually by a firm of certified public accountants or by an accountant certified by the Local Government Commission of the State of North Carolina as qualified to audit local government accounts, which audit may be part of the annual audit of the accounts of the Participant. Such records and accounts shall be made available for inspection by Power Agency at any reasonable time, and a copy of such annual audit, including all written comments and recommendations of such accountants, shall be made available to Power Agency not later than one hundred twenty (120) days after the close of the Participant's fiscal year.

Power Agency shall, following the close of each fiscal year, submit an annual report of its activities for the preceding year to the Participant summarizing the Power Agency's activities and financial statement.

SECTION 9. Information to be Made Available.

(a) Subject to the provisions of the Project Agreements and the By-Laws of Power Agency, there shall be available for inspection at any reasonable time by the Participant the following:

- (1) drawings, plans, specifications and terms of contracts relating to the operation of the Project;
- (2) agreements and data relating to the financing of the Project;
- (3) operating and financial records and reports relating to the Project; and
- (4) policies of insurance carried pursuant to Section 10 hereof.

(b) Subject to the provisions of the Project Agreements, the Participant's representatives shall at all times be given reasonable access to the Project.

(c) The Participant shall, upon request, make available to Power Agency all such information, certificates, engineering reports, feasibility reports, financial statements, opinions of counsel, and other documents as shall be reasonably necessary in connection with the financing of the Project, and the costs of producing or obtaining the same shall be a part of the Costs of Acquisition and Construction.

SECTION 10. Insurance. Subject to the provisions of the Project Agreements and the Bond Resolution, Power Agency shall maintain, or cause to be maintained, in force, as part of the Costs of Acquisition and Construction or Monthly Project Power Costs, insurance with responsible insurers with policies payable to Power Agency, against risk of direct physical loss, damage, or destruction of the Project at least to the extent that similar insurance is usually carried by utilities operating electric generation, and related facilities of the nature of the electric generation and related facilities of the Project, including liability insurance and employees' liability, all to the extent available at reasonable cost but in no case less than will satisfy all applicable regulatory requirements and conform to Usual Utility Practice.

SECTION 11. Sale of Excess Participant's Share. Subject to the Project Agreements, in the event that the Participant shall determine that all or any part of the Participant's Share of Project Output is in excess of the requirements of the Participant, the Participant shall notify Power Agency of such determination, and Power Agency shall use its best efforts to sell and transfer for any period of time all or part of such excess. The other Participants shall have the first right to accept each such disposal pro rata among those exercising such right. If all or any portion of such excess of the Participant's Share of Project Output is sold pursuant to this Section, the Participant's Share shall not be reduced and the Participant shall remain liable to Power Agency to pay the full amount of its Participant's Share of Monthly Project Power Costs as if such sale had not been made; provided,

however, that such liability shall be discharged to the extent that Power Agency shall receive payment for such excess Project Output from the purchaser or purchasers thereof.

SECTION 12. Obligations in the Event of Default.

(a) Upon failure of the Participant to make any payment in full when due under this Agreement or to perform any other obligation herein, Power Agency shall make demand upon the Participant, and if said failure is not cured within fifteen (15) days from the date of such demand, it shall constitute a default at the expiration of such period. Notice of such demand shall be provided to the other Participants by Power Agency.

(b) If the Participant shall fail to pay any amounts due to Power Agency under this Agreement or to perform any other obligation hereunder which failure constitutes a default under this Agreement, Power Agency may and if such default shall have caused an "Event of Default" (as defined in the Operating Agreement) with respect to Power Agency to have occurred and be continuing for a period of one (1) year, at the request of Duke, shall terminate the provisions of this Agreement insofar as the same entitle the Participant to its Participant's Share of Project Output. Except for such termination, the obligations of the Participant under this Agreement shall continue in full force and effect. For purposes of applying the other provisions of this Section, such a termination shall be considered to be a default under this Agreement.

(c) Upon the failure of the Participant to make any payment which failure constitutes a default under this Agreement, or upon termination as provided in paragraph (b) of this Section, Power Agency shall use its best efforts to sell and transfer all or a portion of such Participant's Share of Project Output for all or a portion of the remainder of the term of this Agreement. The other Participants shall have the first right to accept each such disposal pro rata among those exercising such right. If all or any portion of the Participant's Share of Project Output

is transferred pursuant to this paragraph, the Participant's Share shall not be reduced, and the Participant shall remain liable to Power Agency to pay the full amount of its Participant's Share of Monthly Project Power Costs as if such sale had not been made, except that such liability shall be discharged to the extent that Power Agency shall receive payment from the purchaser or purchasers thereof.

(d) Upon the failure of any Participant(s) to make any payment which failure constitutes a default under this Agreement, or upon termination as provided in paragraph (b) of this Section, and except as transfers are made pursuant to paragraph (c) of this Section, the Participant's Share of each nondefaulting Participant shall be automatically increased for the remaining term of this Agreement pro rata based on allocated demands with that of the other nondefaulting Participant(s) and the defaulting Participant's(s') Share(s) shall be reduced correspondingly; provided, however, that no such reduction shall reduce the defaulting Participant's(s') obligations under paragraph (e) of this Section, and provided further, however, that the sum of such increases for any nondefaulting Participant pursuant to this paragraph shall not exceed, without consent of the nondefaulting Participant, an accumulated maximum of 25% of the nondefaulting Participant's Share prior to any such increases.

(e) If the Participant shall fail or refuse to pay any amounts due to Power Agency hereunder, the fact that other Participants have assumed the obligation to make such payments shall not relieve the defaulting Participant of its liability for such payments, and any Participants assuming such obligation, either individually or as a member of a group, shall have a right of recovery from the defaulting Participant. Power Agency or any Participants as their interests may appear, jointly or severally, may commence such suits, actions, or proceedings, at law

or in equity, including suits for specific performance, as may be necessary or appropriate to enforce the obligations of this Agreement against the defaulting Participant.

(f) In the event of any default by Power Agency under any covenant, agreement, or obligation of this Agreement, the Participant may, upon fifteen (15) days written notice to Power Agency, bring any suit, action, or proceeding, in law or in equity, including mandamus, injunction, and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement, or obligation of this Agreement against Power Agency.

(g) No remedy conferred upon or reserved to the parties hereto is intended to be exclusive of any other remedy or remedies available hereunder or now or hereafter existing at law, in equity, by statute or otherwise, but each and every such remedy shall be cumulative and shall be in addition to every other such remedy. The pursuit by either party of any specific remedy shall not be deemed to be an election of that remedy to the exclusion of any other or others, whether provided hereunder or by law, equity, or statute.

SECTION 13. Rights of Duke Hereunder. In addition to the rights described in paragraph (b) of Section 12, Duke shall have the right, as a third party beneficiary, to maintain suit to enforce this Agreement whenever any "Event of Default" by Power Agency as defined in the Operating Agreement shall have occurred and shall not have been fully cured and in such enforcement Duke shall have the same rights as Power Agency to enforce this Agreement. It is recognized that the exercise of any of such rights by Duke shall not affect any rights of Duke against Power Agency whether arising under the Project Agreements, at law, in equity, provided by statute, or otherwise.

SECTION 14. Issuance of Obligations for Renewals, Etc., for Refunding and for Other Purposes. In addition to the issuance of Bonds, notes, or other evidences of indebtedness issued in anticipation of the issuance of Bonds, and Subordinated Debt to pay the Costs of Acquisition and

Construction as provided in Section 3 hereof, Power Agency may issue Bonds in accordance with the provisions of the Bond Resolution, or may issue such notes or other evidences of indebtedness or Subordinated Debt, at any time and from time to time in the event funds are required to provide for:

(1) renewals, extraordinary repairs, replacements, modifications, capital additions, and betterments for the Project (a) which are required by any governmental agency or authority with authority to issue or make and enforce an order or decision requiring the same or (b) which in the opinion of the Consulting Engineer are necessary or desirable to achieve design capability; to improve operating reliability; to reduce unit power costs; or for safety, public health, or environmental purposes;

(2) acquisition of fuel for the Project, including land, rights, leases, options, working capital, equipment, structures, facilities, advances, or prepayments and reserves therefor;

(3) retirement from service, decommissioning, or termination of the Project;

(4) renewals, extraordinary repairs, replacements, modifications, capital additions and betterments, acquisition of fuel, retirement from service, decommissioning, or termination for which Power Agency is responsible under the Project Agreements including, but not limited to, any costs incurred under the exchange payment provisions of Article 14 of the Interconnection Agreement; provided, however, that Power Agency shall not voluntarily consent to any such renewal, extraordinary repair, replacement, modification, capital addition, or betterment (a) unless the same are required by any governmental agency or authority with authority to issue or make and enforce an order or decision requiring the same or (b) unless in the opinion of the Consulting Engineer the

same are necessary or desirable to achieve design capability; to improve operating reliability; to reduce unit power costs; or for safety, public health, or environmental purposes;

(5) refunding of Bonds or refunding any such notes or other evidences of indebtedness or refunding any Subordinated Debt, provided that no such Bonds or notes or other evidences of indebtedness shall be issued to refund Subordinated Debt unless and to the extent such Subordinated Debt shall have been issued to pay Costs of Acquisition and Construction or for one or more of the purposes specified in clauses (1) through (6) of this Section;

(6) the deposit or deposits required to be made under the Bond Resolution from the proceeds of Bonds into any fund or account established pursuant to the Bond Resolution; and

(7) in the case of Subordinated Debt, for any other purpose in connection with the Project.

Bonds shall be issued for the purposes specified in clauses (1) through (4) of this Section only to the extent that Power Agency is not reimbursed for the payment of the costs set forth in such clauses from the proceeds of insurance or funds for such payment are not available, as determined by Power Agency, to Power Agency from any fund or account established under the Bond Resolution. The determination of availability shall be in the sole discretion of Power Agency, shall be conclusive, and may take into account such factors as more beneficial uses and the desirability of establishing or maintaining reserves.

SECTION 15. Consulting Engineer. Power Agency will retain on a continuous basis, as Consulting Engineer, an independent consulting engineer or engineering firm or corporation

having a national and favorable reputation for special skill; knowledge; and experience in analyzing the operations of electric utility systems, preparing rate analyses, forecasting the loads and revenues of electric utility systems and in the marketing of power and energy therefrom (which Consulting Engineer shall be the consulting engineer appointed and retained by Power Agency under the Bond Resolution) to advise Power Agency upon request and render opinions to Power Agency upon request on matters relating to electric power generation, transmission, power supply, electric utility operations, rates and charges, electric utility economics and financing, and budgets. Power Agency shall cause the Consulting Engineer to prepare within one hundred sixty (160) days following the close of each Contract Year an annual engineering report with respect to the Project and Project Output as affected by the Project Agreements for the immediately preceding Contract Year, which report shall contain a copy of the annual audit and shall include:

- (1) a report on the operations of Power Agency;
- (2) a report on the management of the Project;
- (3) a report on the sufficiency of rates and charges for services;
- (4) a report on requirements for future bulk power supply; and
- (5) conclusions as to changes in operation and the making of repairs, renewals, replacements, extensions, betterments, and improvements.

(a) If, in the performance of its duties, the Consulting Engineer becomes aware of the fact that Power Agency in any material way shall have failed to perform or comply with the covenants and agreements contained in the Bond Resolution, or Power Agency or any other party in any material way shall have failed to perform or comply with such party's covenants and agreements contained in the Project Agreements or the Project Power Sales Agreements such report shall specify the details of such failure. In the making of such report, the Consulting

Engineer may rely, unless the Consulting Engineer has reason to believe that any of the reports or findings is not accurate, upon the audit report of the independent certified public accountants to Power Agency, reports of Duke with respect to the Project and the Catawba Nuclear Station, and the reports and findings of qualified independent consultants to Power Agency having special skill, knowledge, and experience with respect to the matters relied upon.

(b) Power Agency shall cause a copy of said engineering report to be made available to each Participant and to the Local Government Commission of the State of North Carolina.

SECTION 16. Modification and Uniformity of Agreements.

(a) This Agreement shall not be subject to termination by any party under any circumstances, whether based upon the default of any other party under this Agreement, or any other instrument, or otherwise, except as specifically provided in this Agreement.

(b) This Agreement shall not be amended, modified or otherwise changed, or rescinded by agreement of the parties (i) in any manner that will have a material adverse effect on the security afforded by the provisions of this Agreement for the payment of the principal of and premium, if any, and interest on the Bonds as they respectively become payable, so long as any of the Bonds are outstanding and unpaid or funds are not set aside for the payment or retirement thereof in accordance with the Bond Resolution; (ii) in any manner that would limit or reduce the obligation of the Participant to make payments pursuant to paragraph (d) of Section 5 hereof; or (iii) with respect to the following provisions of this Agreement without the prior written consent of Duke: paragraphs (b) and (f) of Section 6, paragraph (b) of Section 12, Section 13, clause (iii) of paragraph (b) of this Section 16, and paragraph (a) of Section 17.

(c) If any other Project Power Sales Agreement is amended or replaced so that it contains terms and conditions different from those contained in this Agreement, Power Agency shall notify the Participant and upon timely request by the Participant shall amend this Agreement to include similar terms and conditions.

SECTION 17. Continuance and Enforcement of Agreement.

(a) Except as provided in paragraph (b) of Section 12, Power Agency shall continue this Agreement in full force and effect and shall enforce this Agreement in accordance with its terms to the extent permitted by law.

(b) Any waiver at any time by either party to this Agreement of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Agreement, shall not be considered a waiver with respect to any subsequent default, right, or matter. Further, the failure of a party to enforce at any time any of the provisions of this Agreement or to require at any time performance by the other party of any of the provisions hereof shall not be considered to be a waiver of such provisions, nor in any way affect the validity of this Agreement or any part hereof, or the right of such party thereafter to enforce each and every such provision.

SECTION 18. Relationship to Other Instruments.

(a) It is recognized by the parties hereto that Power Agency in the ownership, construction, acquisition, and operation of the Project must comply with the requirements of the Project Agreements; the Bond Resolution; and all licenses, permits and regulatory approvals necessary for such ownership, construction, acquisition, and operation, and it is therefore agreed that this Agreement is made subject to the terms and provisions of the Project Agreements; the Bond Resolution; and all such licenses, permits, and regulatory approvals.

(b) Notwithstanding any provision in this Agreement to the contrary, nothing contained herein shall prohibit or prevent, or be deemed or construed to prohibit or prevent, Power Agency from amending or supplementing the Project Agreements without the consent of the Participant; provided, however, that any such amendment or supplement to the Project Agreements (i) shall have been found by the Board of Commissioners of Power Agency to be in the economic interests of Power Agency and each Participant affected thereby, (ii) shall not in any manner have a material adverse effect on the security for the payment of the Bonds, and (iii) shall have been made available to the Participant prior to adoption by the Board of Commissioners.

SECTION 19. Notices and Computations of Time. Any notice or demand given by the Participant to Power Agency under this Agreement shall be deemed properly given if mailed postage prepaid and addressed to the Chief Executive Officer of Power Agency at its principal office designated in writing as filed with the Participant by Power Agency. Any notice or demand given or rendered by Power Agency to the Participant under this Agreement shall be deemed properly given or rendered if mailed-postage prepaid and addressed to the person and at the address as designated in writing filed with the Power Agency by the Participant. Any other communication, including any budget or statement, given or rendered by Power Agency to the Participant under this Agreement shall be deemed properly given if provided electronically at the e-mail address designated in writing filed with Power Agency by the Participant. The designations of the name, address, and e-mail address to which any such communication is directed may be changed at any time and from time to time by either party giving notice electronically by email to the Chief Executive Officer of Power Agency or as above provided.

In computing any period of time prescribed or allowed under this Agreement, the day of the act or event after which the designated period of time begins to run is not to be included. The

last day of the period so computed is to be included, unless it is a Saturday, a Sunday, or a legal holiday in North Carolina, in which event the period runs until the end of the next day which is not a Saturday, a Sunday, or a legal holiday in North Carolina.

SECTION 20. Applicable Law; Construction. This Agreement is made under and shall be governed by the law of the State of North Carolina. Headings herein are for convenience only and shall not influence the construction hereof.

SECTION 21. Severability. If any section, paragraph, clause, or provision of this Agreement shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Agreement shall be unaffected by such adjudication and all of the remaining provisions of this Agreement shall remain in full force and effect as though such section, paragraph, clause, or provision or any part thereof so adjudicated to be invalid had not been included herein. In the event of any such invalidity, the parties hereto shall promptly negotiate in good faith valid new provisions to restore the agreement to its original intent and effect.

SECTION 22. Assignment of Agreement. This Agreement shall inure to the benefit of, and shall be binding upon, the respective successors and assigns of the parties to this Agreement; provided, however, that neither this Agreement nor any interest herein (including Project Output) shall be assigned, transferred, or sold by the Participant without the written consent of Power Agency, except as expressly permitted by Section 12 hereof. Except as expressly provided in Section 6 hereof, no such assignment, transfer, or sale shall relieve the Participant of any obligation hereunder.

SECTION 23. Entire Agreement. This Agreement shall constitute the entire understanding among the parties hereto, superseding any and all previous understandings, oral or written, pertaining to the subject matter contained herein. No party hereto has relied, or will rely,

upon any oral or written representation or oral or written information made or given to such party by any representative of the other party or anyone on its behalf.

SECTION 24. Preaudit Certification. Execution of this Agreement by the finance officer of the Participant shall constitute a certification of such finance officer that, to the extent this Agreement requires the Participant to satisfy a financial obligation during the Participant's fiscal year in which the Effective Date occurs, this Agreement has been preaudited in the manner required by the North Carolina Local Government Budget and Fiscal Control Act.

SECTION 25. Attorney's Approval. Execution of this Agreement by the Town Attorney of the Participant shall constitute compliance with the provisions of Section 19 of the Participant's Charter that requires the Town Attorney to approve the form and correctness of this Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement all by authority of their respective governing bodies duly given.

Executed this ____ day of _____, 2026.

TOWN OF PINEVILLE

By: _____
Rev. Amelia Stinson-Wesley, Mayor

Attest:

This instrument has been preaudited in the manner required by the North Carolina Local Government Budget and Fiscal Control Act.

Lisa Snyder, Town Clerk

Christopher Tucker, Town Finance Officer

(SEAL)

For purposes of Section 27 only:

Janelle Lyons, Town Attorney

Executed this ____ day of _____, 2026.

**NORTH CAROLINA MUNICIPAL
POWER AGENCY NUMBER 1**

By: _____
Chief Executive Officer

Attest:

Secretary-Treasurer

(SEAL)

EXHIBIT A

PARTICIPANTS

City of Albemarle
Town of Bostic
City of Cherryville
Town of Cornelius
Town of Drexel
City of Gastonia
Town of Granite Falls
City of High Point
Town of Huntersville
Town of Landis
City of Lexington
City of Lincolnton
Town of Maiden
City of Monroe
City of Morganton
City of Newton
Town of Pineville
City of Shelby
City of Statesville