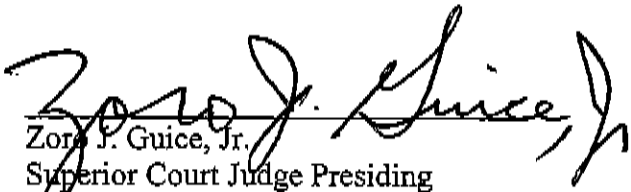


3. All filings with regard to the Actions shall hereinafter be made in 09-CvS-576;
and

4. The Scheduling Order previously entered by the Court in 09-CvS-576 shall hereafter govern the schedule for the Actions on a consolidated basis, and all orders entered by the Court in 09-CvS-576 shall hereinafter govern the Actions on a consolidated basis.

SO ORDERED, this the 11 day of January, 2010.


Zoro J. Guice, Jr.
Superior Court Judge Presiding

STATE OF NORTH CAROLINA
COUNTY OF JACKSON

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
09-CVS-576

DUKE ENERGY CAROLINAS, LLC,)
)
Plaintiff,)
)
v.)
)
JACKSON COUNTY, a political)
subdivision of the State of North Carolina;)
LINDA CABLE, in her official capacity as)
Planning Director of Jackson County; and)
JOHN WITTEKIND, in his official)
capacity as Building Inspections Director)
of Jackson County,)
)
Defendants.)
_____)

ORDER

THIS CAUSE came on to be heard on November 30, 2009, before the undersigned Superior Court Judge Presiding on (1) the Motion of Plaintiff Duke Energy Carolinas, LLC ("Duke Energy Carolinas" or the "Company") for Partial Summary Judgment, pursuant to which the Company seeks an order granting its mandamus and declaratory judgment claims; (2) the Motion of Defendants for Stay pending the resolution of *County of Jackson v. Duke Energy Carolinas, LLC*, 2:09-cv-00045, currently pending in the Western District of North Carolina, Bryson City Division; (3) the Motion of Defendants to Dismiss Duke Energy Carolinas' Complaint pursuant to Rule 12(b)(1) of the North Carolina Rules of Civil Procedure; and (4) the Motion of Defendant County of Jackson ("Jackson County" or the "County") for Preliminary Injunction, pursuant to which the County seeks to have this Court enjoin the Company from altering, damaging or removing the Dillsboro Dam and Powerhouse (all such capitalized terms in this Order have the same meaning for purposes of this Order as reflected in the parties' filings in this case).

Plaintiff and Defendants each appeared through counsel. Having reviewed and considered the pleadings, the affidavits and other documents which have been filed with or presented to the Court; the briefs and legal authorities submitted by counsel for all parties; and the oral arguments of counsel for all parties, the Court finds that it has subject matter jurisdiction of the claims asserted in Plaintiff's Complaint; there is no genuine issue as to any material fact, and Plaintiff is entitled to judgment as a matter of law to the relief requested in its Motion for Partial Summary Judgment; that there is no need to stay this action; and that the County is not entitled to a preliminary injunction as requested by the County.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED:

1. That Duke Energy Carolinas' Motion for Partial Summary Judgment is GRANTED; and

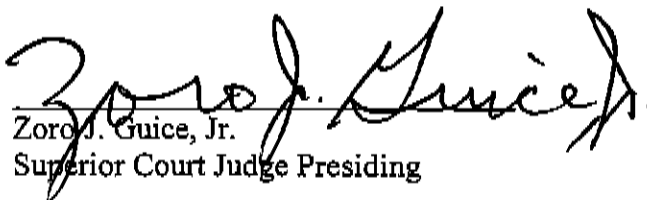
2. That Judgment is hereby entered in favor of Duke Energy Carolinas and against Defendants as follows:

- a. Duke Energy Carolinas' request for a Writ of Mandamus is GRANTED, and Defendants are hereby ordered to immediately process and issue the Land Development Compliance Permit that the Company applied for on or about July 23, 2009, and the Miscellaneous Permit for demolition that the Company applied for on or about July 23, 2009, for demolition operations that the Company is required to complete as a result of the Federal Energy Regulatory Commission ("FERC") Orders referenced in Duke Energy Carolinas' Motion for Partial Summary Judgment; and
- b. Pursuant to N.C. Gen. Stat. § 1-253, *et seq.*, the Court hereby declares that, due to the preemptive nature of the Federal Power Act ("FPA"), Defendants are without authority to deny Duke Energy Carolinas the Land Development Compliance Permit or Miscellaneous Permit for demolition referenced above, or to require the Company to seek and obtain other local permits affecting the Dillsboro Dam and Powerhouse demolition operations, inasmuch as the FERC's Orders with respect to Dam and Powerhouse removal were issued pursuant to the FPA.

IT IS FURTHER ORDERED, ADJUDGED AND DECREED:

3. That Defendants' Motion for Stay is DENIED;
4. That Defendants' Motion to Dismiss is DENIED;
5. That Jackson County's Motion for Preliminary Injunction is DENIED.

SO ORDERED, this the 11 day of January, 2010.


Zoro J. Guice, Jr.
Superior Court Judge Presiding

STATE OF NORTH CAROLINA
COUNTY OF JACKSON

IN THE GENERAL COURT OF JUSTICE
SUPERIOR COURT DIVISION
09-CVS-590

COUNTY OF JACKSON, a body politic)
and corporate created and existing under)
the laws of North Carolina,)

Plaintiff,)

v.)

DUKE ENERGY CAROLINAS, LLC, a)
limited liability company organized and)
existing under the laws of North Carolina,)
and THE BANK OF NEW YORK)
MELLON TRUST COMPANY, N.A., as)
Successor Trustee,)

Defendants.)

ORDER

THIS CAUSE came on to be heard on November 30, 2009 before the undersigned Superior Court Judge Presiding on (1) the Motion of Duke Energy Carolinas, LLC ("Duke Energy Carolinas" or the "Company") to Dismiss the claims asserted herein by County of Jackson's ("Jackson County" or the "County") pursuant to Rule 12(b)(1) of the North Carolina Rules of Civil Procedure; (2) the Motion of Jackson County for Preliminary Injunction, pursuant to which the County seeks to have this Court enjoin the Company from altering, damaging or removing the Dillsboro Dam and Powerhouse; (3) the Motion of Jackson County to Dismiss the Company's declaratory judgment counterclaim pursuant to Rule 12(b)(1) of the North Carolina Rules of Civil Procedure; (4) the Motion of Jackson County to Dismiss the Company's abuse of process counterclaim pursuant to Rules 12(b)(1) and 12(b)(2) of the North Carolina Rules of Civil Procedure.

Plaintiff and Defendants each appeared through counsel. Having reviewed and considered the pleadings, the affidavits and other documents which have been filed with or presented to the Court; the briefs and legal authorities submitted by counsel for all parties; and the oral arguments of counsel for all parties, the Court finds that while the County may proceed with its condemnation action it may only do so subject to the preemptive nature of the Federal Power Act ("FPA") and subject to completion by the Company of the Company's obligations under Orders of the Federal Energy Regulatory Commission ("FERC") issued pursuant to the FPA respecting the Dillsboro Dam and Powerhouse (all such capitalized terms in this Order have the same meaning for purposes of this Order as reflected in the parties' filings in this case); that the County is not entitled to a preliminary injunction as requested by the County; and that the County is not entitled to dismissal of the Company's declaratory judgment or abuse of process counterclaims.

IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

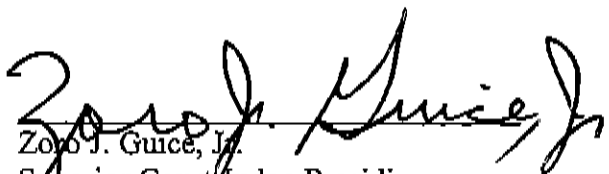
1. That Duke Energy Carolinas' Motion to Dismiss for Lack of Subject Matter Jurisdiction is DENIED, *provided, however*, that Jackson County may only proceed with its condemnation action subject to the preemptive nature of the FPA and upon completion by Duke Energy Carolinas of its obligations under Orders of the FERC respecting the Dillsboro Project, including removal of the Dillsboro Dam and Powerhouse;

2. That Jackson County's Motion for Preliminary Injunction is DENIED;

3. That Jackson County's Motion to Dismiss the Company's declaratory judgment counterclaim is DENIED; and

4. That Jackson County's Motion to Dismiss the Company's abuse of process counterclaim is DENIED.

SO ORDERED, this the 11 day of January, 2010.


Zoro J. Guice, Jr.
Superior Court Judge Presiding