STATE OF NORTH CAROLINA)
)
COUNTY OF IREDELL)

ENCROACHMENT AGREEMENT

THIS AGREEMENT, made this 6th day of August, 1998, by and between Duke Power, a Duke Energy company (hereinafter referred to as "Grantor") and Kenneth Douglas Hullett and Gaynelle H. Hullett (hereinafter referred to as "Grantee");

W I T N E S S E T H:

WHEREAS, Grantor owns an easement and right-of-way which total 100 feet in width for transmission lines located in Iredell County, North Carolina, running through Lot 10 and Section IV of Riverwalk subdivision owned by Grantee;

WHEREAS, the Grantee desires authority to encroach upon Grantor's easement and right-of-way for the purpose of installing, maintaining and using septic nitrification fields serving residences to be constructed upon said lots;

WHEREAS, Grantor has advised Grantee that it will not be liable for the repair or damage to such nitrification fields caused by its installation within its right-of-way of copper wire ground required for lightning protection of its towers and lines, or caused by general or emergency maintenance of its lines, towers or other equipment.

NOW, THEREFORE, Grantor for and in consideration of the sum of One Dollar ($1.00) and other valuable consideration to it paid by Grantee, receipt of which is hereby acknowledged, does hereby grant unto Grantee, its successors and assigns, the perpetual right to encroach upon that portion of the right-of-way situated in Iredell County, North Carolina, lying upon lots 10 and Section IV of Riverwalk Subdivision, as shown on a plat thereon recorded in Plat Book 26 at page 44,45,46 of the Iredell County Registry, for the purpose of constructing, maintaining, and operating thereon septic nitrification fields serving residences constructed upon said Lots 10. Said right of encroachment is granted upon the further condition that no septic tank be placed upon Grantor's right of way and Grantor shall not be responsible for any damage to septic nitrification fields caused by Grantor's installing a grounding system for its electric transmission line, or its general or emergency maintenance of its lines, towers or other equipment.