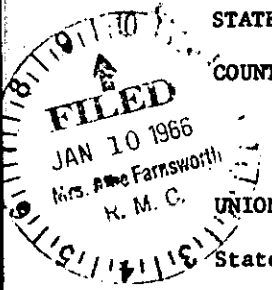


STATE OF SOUTH CAROLINA )  
: )  
COUNTY OF GREENVILLE )



THIS LEASE, Made this 1st day of December, 1965, by  
UNION CARBIDE CORPORATION, a corporation organized under the laws of the  
State of New York, Lessor, to DUKE POWER COMPANY, a corporation organized  
under the laws of the State of North Carolina, Lessee;

W I T N E S S E T H :

That in consideration of \$1.00 paid to Lessor by Lessee, receipt  
of which is hereby acknowledged, and of the agreements on the part of Lessee  
to be performed as herein set out, Lessor leases to Lessee, subject to the  
following terms and conditions, the premises hereinafter described.

The leased premises shall be used by Lessee for the purpose of  
installing, operating and maintaining thereon its electrical apparatus  
and other property, and transmitting electricity to and distributing electricity  
from same.

Title to all property placed or installed upon said premises by  
Lessee shall at all times remain in Lessee, and it shall at all times during  
the continuance of the lease, and at the termination thereof, have the right  
to enter said premises and remove same.

The lease shall continue in force so long as Lessee furnishes  
electric service to the plant now operated by Lessor located adjacent to  
said leased premises, and upon the discontinuance of the furnishing of such  
electric service, and upon ninety (90) days' notice in writing from Lessor,  
Lessee shall remove its property from the premises and this lease shall  
terminate.

The lease shall inure to and be binding upon the parties hereto,  
their successors and assigns.

(Continued on next page)

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