

Together with the rights, privileges, rights of way and easements and subject to the exceptions and reservations as set forth in deed from Duke Power Company to the Company.

GRANTING CLAUSE SECOND

All and singular, the franchises, grants, permits, immunities, privileges, and rights of the Company owned and held by it at the date of the execution hereof or hereafter acquired for the construction, maintenance, and operation of the gas plants and systems now or hereafter subject to the lien hereof, as well as all certificates, franchises, grants, permits, immunities, privileges, and rights of the Company used or useful in the operation of the property now or hereafter mortgaged hereunder, including all and singular the franchises, grants, permits, immunities, privileges, and rights of the Company granted by the governing authorities of any cities and towns, or other municipalities or political subdivisions, and all renewals, extensions and modifications of said certificates, franchises, grants, permits, privileges and rights or any of them.

GRANTING CLAUSE THIRD

All gas generating plants, gas storage plants and gas manufacturing plants of the Company, all the buildings, erections, structures, generating and purifying apparatus, holders, engines, boilers, benches, retorts, tanks, instruments, appliances, apparatus, facilities, machinery, fixtures and any leases or contracts for the joint use of such properties now owned or hereafter acquired by the Company (except the property hereinafter specifically excepted from the lien hereof), and all other property used or provided for use in the generation, manufacturing and purifying of gas, and all other land and easements, rights-of-way, permits, privileges, and sites owned by the Company forming a part of such plants or any of them or occupied, enjoyed or used in connection therewith now owned or hereafter acquired by the Company (except the property hereinafter specifically excepted from the lien hereof).

All gas distribution or gas transmission systems of the Company, all contracts for the purchase of natural gas, all buildings, erections, structures, generating and purifying apparatus, holders,

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engines, boilers, benches, retorts, tanks, pipe lines, connections, service pipes, meters, conduits, tools, instruments, appliances, apparatus, facilities, machinery, fixtures and all other property used or provided for use in the construction, maintenance, repair or operation of such distribution or transmission systems now owned or hereafter acquired by the Company (except the property hereinafter specifically excepted from the lien hereof), together with all certificates, rights, privileges, rights-of-way, franchises, licenses, easements, grants, liberties, immunities and permits of the Company, howsoever conferred or acquired, under, over, or upon any private property or any public streets or highways within as well as without the corporate limits of any municipal corporation, including without in any wise limiting or impairing by the enumeration of the same the scope or intent of the foregoing or of any general description contained in this Indenture:

I. The contract dated April 16, 1951 between the Company and Transcontinental Gas Pipe Line Corporation for the purchase of natural gas.

II. (a) Lease, dated May 9, 1951, between Duke Power Company, as Lessor, and the Company, as Lessee, covering certain lands in the City of Greensboro, Guilford County, North Carolina;

(b) Lease, dated May 9, 1951, between Duke Power Company, as Lessor, and the Company, as Lessee, covering certain lands in the City of Greenville, Greenville County, South Carolina; and

(c) Lease, dated May 9, 1951, between Duke Power Company, as Lessor, and the Company, as Lessee, covering certain lands in the City of Charlotte, Mecklenburg County, North Carolina.

GRANTING CLAUSE FOURTH

Together with all and singular the easements, tenements, hereditaments and appurtenances belonging or in anywise appertaining to any of the property or any part thereof above described, with all reversion and reversions, remainder and remainders, tolls, rents, revenues, issues, income, product and profits thereof, and all the estate, title and interest, and claims whatsoever, both vested and contingent, at law as well as in equity, which the Company now has or may hereafter