

- (6) going concern value or good will, or franchises or governmental permits granted to or acquired by the Company, separate and distinct from the property thereunder; or

Without in any way limiting the generality of the foregoing, it is expressly provided that additional property

- (1) shall include accessions, additions, improvements, betterments, developments, extensions and enlargements to, of or upon the plants, systems and properties used or useful in the Gas Business owned by the Company;

- (2) may include other plants, systems and properties, of the character of additional property, whether or not connected with or related to those now owned by the Company, hereafter acquired by purchase, merger, consolidation or otherwise, together with the accessions, additions, improvements, betterments, developments, extensions and enlargements to, of or upon such other plants, systems and properties;

- (3) need not consist of a specific or completed accession, addition, improvement, betterment, development, extension or enlargement or of a complete new property, but may include construction work, or any work such as is carried in fixed property accounts, in accordance with sound accounting practice, by companies carrying on a business similar to that carried on by the Company, whether capable of specific description and identification or not;

- (4) may include renewals, replacements, alterations and substitutions, provided that no expenditures for maintenance or repairs, or other expenses which, in the ordinary practice of companies carrying on a business similar to that carried on by the Company, are, in accordance with sound accounting practice, charged to operating expenses, shall be deemed additional property;

- (5) may include the interest of the Company in property owned jointly with other parties (and the Company's undivided title thereto shall be deemed good title for the purposes of this indenture);

- (6) may include paving, grading and other improvements to public highways, streets and alleys required for or in con-

light, power, refrigeration or other use, or in any other business which is incidental thereto, including (without limiting the generality of the foregoing) all properties necessary or appropriate for purchasing, storing, generating, manufacturing, utilizing, transmitting, supplying, distributing, liquefying, gasifying or disposing of gas, whether manufactured, natural, or a mixture of manufactured and natural gas, or propane or butane gas; provided that such property shall be property which the Company under its certificate of incorporation and the laws of the State or States having jurisdiction shall be lawfully authorized to own and use in the business in connection with which such property is used or to be used by it.

Additional property shall not include

- (1) any property of the character described or referred to under the heading Excepted Property of the Granting Clauses hereof;

- (2) any property acquired by the Company from Duke Power Company pursuant to the agreement dated May 24, 1950, as supplemented, or any real property acquired from Duke Power Company described in Granting Clause First hereof;

- (3) any property subject to any prior lien except permitted liens;

- (4) any item of property constructed or acquired to replace a similar item of property whose retirement has not been credited to fixed property account; or any property whose cost has been charged, or is properly chargeable, to repairs or maintenance or other operating expense account, or whose cost has not been charged, or is not properly chargeable, to fixed property account;

- (5) any plant or system in which the Company shall acquire only a leasehold interest or any betterments, extensions, improvements or additions of, upon or to any plant or system in which the Company shall own only a leasehold interest (but may include moveable physical property located thereon and any plant or other property constructed on perpetual easements or on any State or Federal lands or lands of any governmental or municipal body, agency or subdivision under authority of any franchise, permit, or license granted by any governmental or municipal authority); or

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