

PARCEL NO. 7  
ELECTRIC DISTRIBUTION SYSTEMS

The electric distribution systems of the Company described in "Parcel No. 3" of the Supplemental Mortgage dated September 8, 1947, being all of such systems owned by the Company, including all additions to and extensions of said systems constructed or acquired by the Company prior to the 1st day of September, 1954.

The following property is expressly excepted from the operation of this instrument, to wit:

All cash, accounts receivable and other choses in action, inventories of materials and supplies on hand for use in the operation of the plants and systems of the Company, all appliances and merchandise held for sale, and all bonds, notes and other evidences of indebtedness and shares of stock and other certificates of interest now owned or hereafter acquired by the Company, that are or may be included within the description of the rights and properties set out in Parcels Nos. 1 to 7, inclusive.

TO HAVE AND TO HOLD all and singular the above described properties, with all the rights, privileges and appurtenances thereto belonging to the said party of the second part as Trustee, its successors and assigns, upon the trusts and for the uses and purposes set out in the above mentioned First and Refunding Mortgage, dated as of December 1, 1927, as heretofore and hereafter from time to time supplemented and modified, and none other.

And the party of the first part, for itself, its successors and assigns, covenants with the party of the second part, its successors and assigns, that it, the said party of the first part, is seized of said property and premises in fee, and has right to convey the same in fee simple; that the same are free and clear of all encumbrances, except as to the lien of the Mortgage, and that it will warrant and defend the title to the same against the lawful claims of all persons whomsoever.

In order to facilitate the recording or filing of this indenture, the same may be simultaneously executed in several counterparts, each of which shall be deemed to be an original, and such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, DUKE POWER COMPANY, the party of the first part, has caused this indenture to be signed in its name and on its behalf by its President, and its corporate seal to be hereunto affixed and attested by its Assistant Secretary, all as of the day and year first above written.

DUKE POWER COMPANY  
By *W. A. Beck*  
President

Attest:  
*W. D. Malone*  
Assistant Secretary  
Signed, Sealed and Delivered in  
the presence of:

*W. D. Malone*