

all property, real, personal and mixed, including franchises, of the kind or nature specifically mentioned in the Indenture or of any other kind or nature, acquired by Duke-North Carolina (except any herein or in the Indenture expressly excepted, and including, but not by way of limitation, those exceptions listed in **CLAUSE FIRST of the Mortgage**) now owned or, as provided in the Indenture as to Duke-New Jersey, hereafter acquired by Duke-North Carolina (by purchase, consolidation, merger, donation, construction, erection or in any other way) and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in the Indenture) all lands, power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sights, canals, raceways, dams, dam sites, aqueducts, and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, gas plants, street lighting systems, standards and other equipment incidental thereto, telephone, radio systems, air-conditioning systems and equipment incidental thereto, waterworks, water systems, steam plants and hot water plants, substations, lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, offices, buildings and other structures and the equipment thereof, all machinery, engines, boilers, dynamos, electric, gas and other machines, regulators, meters, transformers, generators, motors, electrical, gas and mechanical appliances, conduits, cables, water, steam heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture and chattels; all franchises, consents or permits, all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose including towers, poles, wires, cables, pipes, conduits, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of same and (except as herein or in the Indenture expressly excepted) all the right, title, and interest of Duke-North Carolina in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore or in the Indenture described.

Тогатнер with all and singular the tenements, hereditaments, prescriptions, servitudes and appurtenances belonging or in anywise appertaining to the aforesaid

property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to any express limitations of the Indenture) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which Duke-North Carolina now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

IT IS HEREBY AGREED by Duke-North Carolina that, subject to the provisions of the Indenture, all of the property, rights, and franchises acquired by Duke-North Carolina (by purchase, consolidation, merger, donation, construction, erection or in any other way) after the date hereof, except any herein or in the Indenture as to Duke-New Jersey expressly excepted, shall be and are as fully granted and conveyed hereby and as fully embraced within the lien hereof and the lien of the Indenture, as if such property, rights and franchises were now owned by Duke-North Carolina and were specifically described herein and conveyed hereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, hypothecated, affected, pledged, set over, warranted or confirmed hereunder and (without in any way limiting any other exceptions herein or in the Indenture made) are hereby expressly excepted from the lien and operation of the Indenture, viz:

1. Cash (not deposited or required by any other provision of the Indenture to be deposited with the Trustee), 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 Duke-North Carolina as the corporation surviving said merger, and appliances and merchandise held for sale, now owned or hereafter acquired by Duke-North Carolina.
2. All bonds, notes and other evidences of indebtedness and shares of stock and other certificates of interest now owned or hereafter acquired by Duke-North Carolina.
3. All other properties, real or personal, acquired by Duke-North Carolina after the day of the execution and delivery of this Twentieth Supplemental Indenture which both (a) are neither used by nor useful to Duke-North Carolina in the business, or in any phase of the business, of generating, storing, furnishing and/or distributing electricity for light, heat and/or