

maintenance, repair and operation of any such plants or systems, both that now owned and that which may hereafter be acquired by the Company; and together also with all the dams, dam sites, water and flowage rights and all other rights, privileges, rights of ways, franchises, licenses, indeterminate permits, grants, liberties, immunities, ordinances and easements of the Company in respect of the construction, maintenance, repair and operation of said plants and systems now owned or hereafter acquired or conferred; the principal plants now owned and the land whereon they are located being included among the properties described in the above-mentioned First and Refunding Mortgage, dated as of December 1, 1927, and in supplemental indentures thereto.

III. All electric transmission lines now owned or hereafter acquired or constructed by the Company, with all branches, taps and service lines connected therewith or radiating therefrom, and any additions to or extensions of any such present or future transmission lines, together with the poles, wires, towers, cross-arms, insulators, supports, buildings, erections, structures, transformers, stations, substations, switchboard equipment, telephone equipment, machinery, tools, apparatus, appliances, facilities and other property used or provided for use in the construction, maintenance, repair and operation thereof, both that now owned and that which may hereafter be acquired or constructed by the Company, together also with all the rights, privileges, rights of way, franchises, licenses, easements, grants, liberties, immunities, permits and ordinances of or belonging to the Company in respect of the construction, maintenance, repair and operation of such existing and future transmission lines and each of them and any additions thereto or extensions thereof; the principal existing transmission lines which the Company now owns being located in the States of North Carolina and South Carolina and generally described in the above-mentioned First and Refunding Mortgage, dated as of December 1, 1927, and in supplemental indentures thereto.

The exceptions referred to in the first two sentences of this Confirmatory Clause First are as follows:

A. 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 the Company, and appliances and merchandise held for sale, now owned or hereafter acquired by the Company.

