

power and (b) have not been described or included as additional property in any certificate furnished to the Trustee pursuant to Section 2.06 of the Mortgage, as amended by Article 10, Section 10.01 (c) of the Supplemental Indenture dated as of February 1, 1949, or otherwise made the basis of the authentication and delivery of any bonds for the payment or application of any cash deposited or required to be deposited with the Trustee pursuant to any of the provisions of the Indenture. Nothing in this paragraph 3, however, shall be construed as excepting from the lien of the Indenture, by reason of any subsequent change in the use or usefulness of such property in said business, any property which shall at any time have been made or become subject thereto.

4. Any franchises of any character hereafter acquired which are not in anywise necessary or appropriate for or in connection with the ownership, maintenance or operation of any of the properties of Duke-North Carolina now or at any time hereafter subject or required to be subjected to the lien of the Indenture.

5. Any property heretofore released pursuant to any provisions of the Indenture and not heretofore disposed of by Duke-New Jersey or Duke-North Carolina;

PROVIDED FURTHER, HOWEVER, that the exceptions enumerated in the foregoing paragraphs shall be subject to and subordinate to any remedies of the Trustee and bondholders as described in Article 6 of the Mortgage, as amended by the Supplemental Indenture dated as of February 1, 1949.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over, warranted or confirmed by Duke-North Carolina as aforesaid, or intended so to be, unto Morgan Guaranty Trust Company of New York, as Trustee, and its successors and assigns, forever.

IN TRUST NEVERTHELESS, subject to and with the same provisos and covenants as are set forth in the Indenture, this Twentieth Supplemental Indenture being supplemental thereto.

AND IT IS HEREBY COVENANTED by Duke-North Carolina that all the terms, conditions, provisos, covenants and provisions contained in the Indenture shall

affect and apply to the property hereinbefore described and conveyed and to the estate, rights, obligations and duties of Duke-North Carolina and the Trustee and the beneficiaries of the trust with respect to said property, and to the Trustee and its successors as Trustee of said property, in the same manner and with the same effect as if the said property had been owned by Duke-New Jersey at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to the Trustee by the Mortgage as a part of the property therein stated to be conveyed, it being the intention of Duke-North Carolina to succeed to all of the rights, privileges, duties and obligations of Duke-New Jersey under the Indenture.

Duke-North Carolina further covenants and agrees to and with the Trustee and its successors in said trust under the Indenture, as follows:

ARTICLE I

Covenants and Agreements of Duke-North Carolina

SECTION 1. Duke-North Carolina hereby expressly assumes the due and punctual payment of the principal and interest of all the bonds now outstanding under the Indenture according to their tenor and the due and punctual performance and observance of all of the covenants and conditions of the Indenture to be kept or performed by Duke-New Jersey, and Duke-North Carolina hereby assumes and agrees to pay, duly and punctually, the principal of and interest on the bonds issued under the Indenture in accordance with the provisions of said bonds and coupons and the Indenture, and agrees to perform and fulfill all the terms, covenants and conditions of the Indenture to be kept or performed by Duke-New Jersey.

ARTICLE II

Miscellaneous

SECTION 1. The terms defined in the Indenture shall, for all purposes of this Twentieth Supplemental Indenture, have the meanings specified in the Indenture.

SECTION 2. The Trustee hereby accepts the trusts herein declared, provided, created or supplemented and agrees to perform the same upon the terms and conditions herein and in the Indenture set forth and upon the following terms and conditions: