

terms as fully to preserve and in no respect to impair the lien, efficiency or security of this Indenture, or any of the rights or powers of the Trustee or the bondholders hereunder; and provided, further, that any such lease shall be made expressly subject to immediate termination by the Company or by the Trustee at any time during the continuance of a completed default hereunder, and also by the purchaser of the property so leased at any sale thereof hereunder, whether such sale be made under the power of sale hereby conferred or under judicial proceedings; and provided further, that, upon any such consolidation, merger, conveyance or transfer, or upon any such lease the terms of which extends beyond the date of maturity of any of the bonds secured hereby, the due and punctual payment of the principal and interest of all said bonds according to their tenor and the due and punctual performance and observance of all the covenants and conditions of this Indenture to be kept or performed by the Company, shall be expressly assumed in writing by the corporation formed by such consolidation or into which such merger shall have been made, or requiring all the mortgaged and pledged property as an entirety, as aforesaid, or by the lessee under any such lease the term of which extends beyond the date of maturity of any of the bonds secured hereby.

Section 93. In case the Company, pursuant to Section 92 hereof, shall be consolidated with or merged into any other corporation, or shall convey or transfer, subject to the lien of this Indenture, all the mortgaged and pledged property as an entirety, the successor corporation formed by such consolidation, or into which the Company shall have been merged, or which shall have received a conveyance or transfer as aforesaid—upon executing and causing to be recorded an indenture with the Trustee, satisfactory to the Trustee, whereby such successor corporation shall assume and agree to pay, duly and punctually, the principal and interest of the bonds issued hereunder in accordance with the provisions of said bonds and coupons and this Indenture, and shall agree to perform and fulfill all the covenants and conditions of this Indenture binding upon the Company—shall succeed to and be substituted for the Company, with the same effect as if it had been named herein, and shall have and may exercise under this Indenture the same powers and rights as the Company, and (without in any wise limiting or impairing by the enumeration of the same the scope and intent of the foregoing general powers and rights) such successor corporation thereupon may cause to be executed, issued and delivered, either in its own name or in the name of Carolina Power & Light Company, in respect of property, of the character defined in Section 4 hereof as permanent improvements or additions, such bonds as could or might have been executed, issued and delivered by the Company had it acquired such permanent improvements or additions by purchase and had such consolidation, merger, conveyance or transfer not occurred, and upon the order of such successor corporation in lieu of the Company, and subject to all the terms, conditions and restrictions in this Indenture prescribed, concerning the authentication and delivery of bonds, the Trustee shall authenticate and deliver any bonds which shall have been previously signed and delivered by the officers of the Company to the Trustee for authentication, and such bonds as the successor corporation shall thereafter, in accordance with the provisions of this Indenture, cause to be executed and delivered to the Trustee for such purpose, and such successor corporation shall also have and may exercise in respect of such permanent improvements or additions, and subject to all the terms, conditions and restrictions in this Indenture prescribed applicable thereto, whether as to withdrawal of cash, release of property or otherwise, the same powers and rights which the Company might or could exercise had it acquired such permanent improvements or additions by purchase and had such consolidation, merger, conveyance or transfer not occurred. All the bonds so issued shall in all respects have the same legal right and security as the bonds theretofore issued in accordance with the terms of this Indenture as though all of said bonds had been authenticated and delivered at the date of the execution hereof. Provided, however, that as a condition precedent to the execution by such successor corporation and the authentication and delivery by the Trustee of any such additional bonds or the withdrawal of cash or the release of property under any of the provisions of this Indenture, on the basis of permanent improvements or additions acquired, made or constructed by the successor corporation, or by any corporation with or into which the Company or any successor corporation may be so consolidated or merged or to which the Company or any successor corporation may make any such conveyance, the Indenture with the Trustee to be executed and caused to be recorded by the successor corporation as in this Section provided, shall contain a conveyance or transfer and mortgage in terms sufficient to subject such permanent improvements or additions to the lien hereof; and provided further that the lien created thereby shall have similar force, effect and standing as the lien of this Indenture would have if the Company should not be consolidated with or merged into such other corporation or should not convey or transfer, subject to this Indenture, all the mortgaged and pledged property as an entirety, as aforesaid, to such successor corporation, and should itself acquire or construct such permanent improvements or additions, and request the authentication and delivery of bonds or the withdrawal of cash or the release of property under the provisions of this Indenture in respect thereof.

The Trustee may receive an opinion of counsel, as defined in Section 3 hereof, as conclusive evidence that any such indenture complies with the foregoing conditions and provisions of this Section.

Section 94. In case the Company, pursuant to Section 92 of this Indenture, shall be consolidated with or merged into any other corporation, or shall convey or transfer, subject to this Indenture, all the mortgaged and pledged property as an entirety as aforesaid, neither this Indenture nor the indenture with the Trustee to be executed and caused to be recorded by the successor corporation as in Section 93 hereof provided, shall, unless such indenture shall otherwise provide, become or be a lien upon any of the properties or franchises of the successor corporation except those acquired by it from the Company, and except permanent improvements or additions appurtenant thereto, and the permanent improvements or additions to or about the plants or properties of the successor corporation made and used by it as the basis for the issue of additional bonds or the withdrawal of cash or the release of property under this Indenture as herein provided, and such franchises, repairs and additional property as may be acquired by the successor corporation to maintain, renew and preserve the franchises covered by this Indenture and to keep and maintain the mortgaged and pledged property in good repair, working order and condition, or in pursuance of some covenant or agreement hereof to be kept or performed by the Company.

ARTICLE XVII.

*Concerning the Trustee.*

Section 95. The Trustee accepts the trust hereby created but only upon the terms and conditions set forth in this Article XVII.

Section 96. The recitals of facts herein and in said bonds contained (other than the certificate of the Trustee on said bonds) shall be taken as the statements of the Company and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the value of the mortgaged and pledged property or any part thereof, or as to the title of the Company thereto, or as to the security afforded thereby and hereby, or as to the validity of this Indenture or of the bonds or coupons issued hereunder, and the Trustee shall incur no responsibility in respect of such matters.

Section 97. The Trustee shall be under no duty to file or record or cause to be filed or recorded this Indenture, or any instruments supplemental hereto, as a mortgage, conveyance or transfer of real or personal property, or otherwise, or to re-file or re-record or renew the same, or to procure any further, other, or additional instruments of further assurance, or to see to the delivery to it of any personal property intended to be mortgaged or pledged hereunder, or to do any other act which may be suitable to be done for the better maintenance or continuance of the lien or security hereof, or for giving notice of the existence of such lien, or for extending or supplementing the same or to see that any property intended now or hereafter to be conveyed in trust hereunder is subject to the lien hereof. The Trustee shall not be liable for failure of the Company to insure or renew insurance or for responsibilities of insurers, or for the failure of the Company to pay any tax or taxes in respect of the mortgaged and pledged property, or any part thereof, or otherwise, nor shall the Trustee be under any duty in respect of any tax which may be assessed against it or the owners of the bonds outstanding hereunder in respect of the mortgaged and pledged property. The Trustee shall be under no duty or responsibility with respect to the validity or value of any securities at any time held by it hereunder. The Trustee shall be under no responsibility or duty with respect to the disposition of the bonds authenticated and delivered hereunder or the application of the proceeds thereof or the application of any moneys paid to the Company under any of the provisions hereof, and the provisions of this Indenture to the effect that bonds may be authenticated and delivered on account of the acquisition, erection or construction of any permanent improvements or additions, shall not be construed as imposing any responsibility or duty upon the Trustee to see that such bonds or such proceeds are actually applied on account of such acquisition, erection or construction.

Section 98. The Trustee may execute any of the trusts or powers hereof and perform any duties hereunder, either itself or by or through its attorneys, agents or employees, and it shall not be answerable or accountable for any act, default, neglect, or misconduct of any such attorneys, agents or employees, if reasonable care shall have been exercised in the appointment and retention thereof, nor shall the Trustee be otherwise answerable or accountable under any circumstances whatsoever, except for its own bad faith.

Section 99. The Trustee shall not be required to ascertain or inquire as to the performance of any of the covenants or agreements herein contained on the part of the Company. The Trustee shall not be required to take notice, or be deemed to have knowledge, of any default of the Company hereunder and may conclusively assume that there has been no such default unless and until it shall have been specifically notified in writing of such default by the Company or the holders of not less than ten per centum (10%) in principal amount of the bonds then outstanding hereunder. The Trustee shall not be under any obligation to take any action in respect of any default or otherwise, or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by the holders of twenty per centum (20%) in principal amount of the bonds then outstanding hereunder;