

§8.05. The successor corporation shall be entitled to use any fixed property subjected to the lien hereof, as provided in §8.04, as the basis for the issue of bonds or release of cash or property hereunder as and to the extent that the Company might have so used the same had it acquired it as additional property by purchase and charged the same to its fixed capital accounts as of the date on which the same shall be subjected to the lien hereof as aforesaid. All the covenants and agreements of the Company herein with respect to the mortgaged property shall apply to such property so subjected to the lien hereof.

§8.06. In case (pursuant to the provisions of §8.01) any other corporation or corporations shall be merged or consolidated into or with the Company under such circumstances that the corporate identity of the Company is not changed, the rights and duties of the Company, with respect to the property owned by such other corporation or corporations at the time of such merger or consolidation which is acquired by the Company by virtue of the merger or consolidation and charged to its fixed capital accounts, shall be the same as if such property had been acquired by the Company by purchase and charged to its fixed capital accounts as of the date of such merger or consolidation; provided that, and as a condition precedent, any additional property so acquired shall not be made the basis of the issue of any bonds or the release of cash or property under the provisions of this Indenture until the Company shall have caused to be executed and filed for record a supplemental indenture with the Trustee, satisfactory to the Trustee, giving to the Trustee a lien, not only upon such additional property but also upon any other property, franchises and/or rights owned by the Company and necessary in the opinion of counsel and an engineer for the use and operation of such fixed property; and provided further that the use of such fixed property for the aforesaid or any other purposes hereunder shall be subject to the terms and conditions provided in this Indenture.

§8.07. Any act or proceeding by any provisions of this Indenture authorized or required to be done or performed by resolution adopted by the Board of Directors or by any specified officer of the Company, shall and may be done and performed with like force and effect by resolution adopted by the like Board or by the like officer of any corporation that shall, at the time, be such lawful sole successor or purchaser of the Company.

§8.08. In case of any such consolidation, merger, sale, conveyance, transfer or lease, the Trustee shall be furnished with an opinion of counsel, which opinion the Trustee may receive as conclusive evidence, that the applicable provisions of §§8.01 to 8.06, both inclusive, or any of them, have been complied with or that any supplemental indenture made under any of said §§8.01 to 8.06, both inclusive, complies with the conditions and provisions thereof.

§8.09. At any time prior to the exercise of any power by this Article reserved to the Company or to a purchasing or successor corporation, the Company or such purchasing or successor corporation may surrender any such reserved power by delivering to the Trustee an instrument in writing executed by its President or a Vice-President, under its corporate seal attested by its Secretary or Assistant Secretary, accompanied by a certificate of its Secretary or an Assistant Secretary that the execution of such instrument was authorized by a resolution duly adopted by at least two-thirds of its entire Board of Directors at a meeting duly held; and thereupon the power so surrendered shall cease. Until so surrendered, the provisions of this Article shall continue to apply to any number of successive mergers, consolidations, sales, conveyances, transfers or leases, the term "the Company" referring in each such case to the corporation which immediately before such merger, consolidation, sale, conveyance or transfer was the owner of the mortgaged property.

§8.10. The term "Company" as used in this Indenture shall mean Duke Power Company, the party of the first part hereto, and any and all corporations successor thereto pursuant to the provisions of this Article.

## ARTICLE 9.

### Defeasance and Sundry Provisions.

§9.01. If the Company, its successors or assigns, shall

(a) pay or cause to be paid the principal of and interest on the bonds and coupons for interest thereon to become due at the times and in the manner stipulated therein and herein, and/or

(b) provide for the payment of the bonds and interest thereon by depositing in cash with the Trustee at any time at or before maturity the entire amount due or to become due thereon for principal and interest to maturity of all the bonds outstanding, and/or

(c) in case of a call of all of the bonds then outstanding for redemption, deposit with the Trustee on or before the date on which all of such bonds (other than those which shall have matured by their terms) shall have been called for redemption, as provided in Article 3, the entire amount of the redemption price thereof, including interest, and premium, if any, and shall deliver to the Trustee (1) proof satisfactory to the Trustee that notice of redemption as provided in Article 3, has been given, or (2) proof satisfactory to the Trustee that arrangements have been made insuring that such notice will be given, or, (3) a written instrument executed by the Company under its corporate seal, and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Company, and/or

(d) surrender to the Trustee for cancellation all the bonds and coupons thereto appertaining for which payment is not so provided,

and shall also pay all other sums due and payable hereunder by the Company, and shall well and truly keep and perform all the covenants and conditions herein required to be kept and performed by the Company according to the true intent and meaning of this Indenture, then and in that case, at the request of the Company, all the mortgaged property shall revert to the Company and the entire estate, right, title and interest of the Trustee and of the holders and registered owners of the bonds and coupons in respect of the mortgaged property shall thereupon cease, determine and become void; and the Trustee in such case, upon the cancellation of all outstanding bonds and coupons for the payment of which cash shall not have been deposited in accordance with the provisions of this Indenture, shall upon request of the Company and at its cost and expense execute to the Company, or its order, proper instruments acknowledging satisfaction of this Indenture and surrender to the Company, or its order, all cash and deposited securities, if any, which shall then be held hereunder as a part of the mortgaged property; provided, however, that if any such property shall have been delivered to the Trustee by any person or corporation other than the Company, the same shall be delivered or otherwise disposed of in accordance with any reservations, limitations, conditions or provisions which may have been set forth in the instrument in writing then executed, if any, respecting the use, management or disposition thereof.

In the absence of a request by the Company to have the mortgaged property revert to it and to have the lien of this Indenture cancelled and discharged, the fact that all indebtedness secured by this Indenture shall have been fully paid and satisfied shall not render this Indenture inoperative or prevent the Company from again and from time to time issuing bonds hereunder pursuant to the terms and conditions hereof.

§9.02. Each of the bonds is issued upon the express condition, to which each successive holder thereof expressly assents and by receiving the same agrees, that no recourse under or upon any obligation,