

CAROLINA POWER & LIGHT COMPANY
TO
IRVING TRUST COMPANY
AND
FREDERICK G. HERBST
TRUSTEES

For Release as to Lot 5 Bk. 66 + 1/2 Lot 4 Bk. 66, Plat Book A Page 323, See R. C. M. Book 240 Page 191.

MORTGAGE AND DEED OF TRUST

DATED AS OF MAY, 1, 1940

INDENTURE, dated as of the 1st day of May, 1940, made and entered into by and between Carolina Power & Light Company, a corporation of the State of North Carolina (hereinafter sometimes called the Company), part of the first part, and Irving Trust Company, a corporation of the State of New York, whose post office address in One Wall Street, New York, New York (hereinafter sometimes called the Corporate Trustee), and FREDERICK G. HERBST, of 70 East Park Street, East Orange, New Jersey (hereinafter sometimes called the Individual Trustee), as Trustees, parties of the second part (the Corporate Trustee and the Individual Trustee being hereinafter together sometimes called the Trustee);

WHEREAS, the Company has deemed it necessary to borrow money for its corporate purposes and to issue its bonds therefor from time to time in one or more series, and to mortgage and pledge its property hereinafter described or mentioned, to secure the payment of the same, such bonds to be coupon bonds and/or fully registered bonds, authenticated by the certificate of the Corporate Trustee and issuable as in this Indenture hereinafter provided, such coupon bonds, coupons, fully registered bonds and Corporate Trustee's certificate to be substantially in the forms following, respectively, with such insertions, omissions and variations as the Board of Directors of the Company may determine in accordance with the provisions of this Indenture:

(GENERAL FORM OR COUPON BOND)

CAROLINA POWER & LIGHT COMPANY

-----MORTGAGE BOND

No.-----Series----- \$-----

CAROLINA POWER & LIGHT COMPANY, a corporation of the State of North Carolina (hereinafter called the Company), for value received, hereby promises to pay to the bearer, or, if this bond be registered, to the registered owner hereof, on-----, at the office or agency of the Company in-----, -----dollars in such coin or currency of the United States of America as at the time of payment in legal tender for public and private debts, and to pay interest thereon from the date hereof at the rate of-----per centum per annum in like coin or currency at said office or agency on-----and-----in each year, until the principal of this bond shall have become due and payable, but only upon presentation and surrender of the interest coupons therefor hereto attached as they severally mature.

This bond is one of an issue of bonds of the Company issuable in series and is one of a series known as its-----Mortgage Bonds,-----Series-----, all bonds of all series issued and to be issued under and equally secured (except in so far as any sinking or other fund, established in accordance with the provisions of the Mortgage hereinafter mentioned, may afford additional security for the bonds of any particular series) by a Mortgage and Deed of Trust (herein, together with any indentures supplemental thereto, called the Mortgage), dated as of May 1, 1940, executed by the Company to Irving Trust Company and Frederick G. Herbst, as Trustees. Reference is made to the Mortgage for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders of the bonds and of the Trustees in respect thereof, the duties and immunities of the Trustees and the terms and conditions upon which the bonds are and are to be secured and the circumstances under which additional bonds may be issued. With the consent of the Company and to the extent permitted by and as provided in the Mortgage, the rights and obligations of the Company and/or the rights of the holders of the bonds and/or coupons and/or the terms and provisions of the Mortgage may be modified or altered by affirmative vote of the holders of at least seventy per centum (70%) in principal amount of the bonds then outstanding under the Mortgage and, if the rights of one or more, but less than all, series of bonds then outstanding are to be affected, then also by affirmative vote of the holders of at least seventy per centum (70%) in principal amount of the bonds then outstanding of each series of bonds so to be affected (excluding in any case bonds disqualified from voting by reason of the Company's interest therein as provided in the Mortgage); provided that, without the consent of the holder hereof, no such modification or alteration, among other things, shall impair or affect the right of the holder to receive payment of the principal of and interest on this bond, on or after the respective due dates expressed herein, or permit the creation of any lien equal or prior to