

execution and delivery of this Indenture, and that the lien and security of this Indenture shall take effect from the date of execution and delivery hereof, as though all of the said bonds of all series were actually authenticated and delivered and issued upon such date.

PROVIDED, HOWEVER, and these presents are upon the condition that if the Company, its successors or assigns, shall pay or cause to be paid, the principal of and interest on said bonds, together with the premium, if any, payable on such of said bonds as may have been called for redemption prior to maturity, or shall provide, as permitted hereby, for the payment thereof by depositing with the Corporate Trustee the entire amount due or to become due thereon for principal, interest and premium, if any, and if the Company shall also pay or cause to be paid all other sums payable hereunder by it, then this Indenture and the estate and rights hereby granted shall cease, determine and be void, otherwise to be and remain in full force and effect.

IT IS HEREBY COVENANTED, DECLARED AND AGREED by and between the parties hereto that all such bonds and coupons are to be authenticated, delivered and issued, and that all property subject or to become subject hereto is to be held subject to the further covenants, conditions, uses and trusts hereinafter set forth, and the Company, for itself and its successors and assigns, does hereby covenant and agree to and with the Trustees and their successor or successors in such trust, for the benefit of those who shall hold said bonds and interest coupons or any of them, as follows:

ARTICLE I.

SECTION 1. The terms specified in the next succeeding six (6) Sections hereof, numbered from 2 to 7 inclusive, shall (except as herein otherwise expressly provided) for all purposes of this Indenture, and of any indenture supplemental hereto, have the respective meanings in such Section specified. All other terms used herein unless otherwise defined in this Indenture shall have the meanings assigned to such terms in the Trust Indenture Act of 1939.

SECTION 2. The term "the Company" shall mean the party of the first part hereto, Carolina POWER & LIGHT COMPANY, and subject to the provisions of Article XV hereof, shall also include its successors and assigns.

The term "the Trustee" shall mean the parties of the second part hereto, Irving Trust Company and Frederick G. Herbst, and, subject to the provisions of Article XVI hereof, shall also include their respective successors and assigns.

The term "the Corporate Trustee" shall mean Irving Trust Company, and, subject as aforesaid, shall also include its successors and assigns. The term "the Individual Trustee" shall mean Frederick G. Herbst, and, subject as aforesaid, shall also include his successors and assigns. The term "Trustee" shall mean the Corporate Trustee or the Individual Trustee, or any separate trustee or co-trustee appointed as in Section 103 hereof provided.

The term "this Indenture" or "the Mortgage" (the latter being referred to in the general forms of bonds) shall mean this instrument and all indentures supplemental hereto.

The terms "the Lien hereof" and "the Lien of this Indenture" shall mean the lien created by these presents (including the afteracquired property clauses hereof) and the lien created by any subsequent conveyance or delivery to or pledge with the Trustees or either of them hereunder (whether made by the Company or any other corporation or any individual or co-partnership) effectively constituting any property a part of the security held by the Trustees or either of them upon the terms and trusts and subject to the covenants, conditions and uses specified in this Indenture.

The term "the Mortgaged and Pledged Property" shall mean as of any particular time the property which at said times is subject or intended to be subject to the Lien of this Indenture whether such Lien be created by these presents (including the after-acquired property clauses hereof) or by subsequent conveyance or delivery to or pledge with the Trustees hereunder or otherwise.

The term "Outstanding", subject to the provisions of Sections 71 and 113 hereof, shall mean as of any particular time with respect to bonds issued or issuable under this Indenture all bonds which theretofore shall have been authenticated and delivered by the Corporate Trustee under this Indenture, except (a) bonds theretofore paid, retired, redeemed, discharged or canceled; or bonds for the purchase, payment or redemption of which money in the necessary amount shall have been deposited with or shall then be held by the Corporate Trustee with irrevocable direction so to apply the same, provided that, in the case of redemption, the notice required by Article X hereof shall have been given or have been provided for to the satisfaction of the Corporate Trustee, (b) bonds deposited with or held in pledge by the Corporate Trustee under any of the provisions of this Indenture, including any so held under any sinking or other fund, and (c) bonds authenticated and delivered hereunder, upon transfer of which or in exchange or substitution for and/or in lieu of which other bonds have been authenticated and delivered under any of the provisions of this Indenture.

The term "Daily Newspaper" shall mean a news paper usually published at least six (6) days a week.

SECTION 3. The term "Resolution" shall mean a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors of the Company and to be in full force and effect on the date certified.