
DUKE POWER COMPANY

TO

GUARANTY TRUST COMPANY OF
NEW YORK,

Trustee.

Supplemental Indenture

Dated as of February 1, 1949.

SUPPLEMENTAL TO
FIRST AND REFUNDING MORTGAGE
DATED AS OF DECEMBER 1, 1927

SUPPLEMENTAL INDENTURE, bearing date as of the first day of February, 1949, made and entered into by and between DUKE POWER COMPANY, a corporation duly organized and existing under the laws of the State of New Jersey, hereinafter called the "Company", party of the first part, and GUARANTY TRUST COMPANY OF NEW YORK, a corporation duly organized and existing under the laws of the State of New York, having its principal place of business in the Borough of Manhattan, City and State of New York, hereinafter called the "Trustee", as Trustee, party of the second part.

WHEREAS the Company duly executed and delivered its First and Refunding Mortgage, dated as of December 1, 1927, to the Trustee to secure the First and Refunding Mortgage Gold Bonds of the Company, to be issued from time to time in series as provided in said Mortgage, and has from time to time duly executed and delivered supplemental indentures to the Trustee supplementing and modifying said Mortgage (said Mortgage, as heretofore supplemented and modified, being hereinafter referred to as the "original indenture"); and

WHEREAS bonds of a series known as the "First and Refunding Mortgage Bonds, 2.65% Series Due 1977" (herein referred to as the "bonds of the 2.65% Series") have heretofore been issued and are the only bonds now outstanding under the original indenture; and

WHEREAS the Company desires to create under the original indenture, as supplemented and modified by this supplemental indenture, a new series of bonds, to be known as its "First and Refunding Mortgage Bonds, 2 $\frac{7}{8}$ % Series Due 1979", and to determine the terms and provisions and the form of the bonds of such series; and

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WHEREAS, for the purpose of making certain changes in the original indenture, and for the purpose of meeting the requirements of the Trust Indenture Act of 1939, the Company desires to enter into certain additional covenants with the Trustee, to impose certain conditions and restrictions in addition to those now set forth in the original indenture, and to modify certain of the covenants, conditions and restrictions now set forth in the original indenture; and

WHEREAS, for the purposes hereinabove recited, and pursuant to due corporate action, the Company has duly determined to execute and deliver to the Trustee a supplemental indenture in the form hereof supplementing and modifying the original indenture (the original indenture, as hereby supplemented and modified, being sometimes hereinafter referred to as the "Indenture"); and

WHEREAS the execution and delivery of this supplemental indenture have been consented to by the holders of all of the bonds issued and outstanding under the original indenture; and

WHEREAS all conditions and requirements necessary to make this supplemental indenture a valid, legal and binding instrument in accordance with its terms have been done and performed, and the execution and delivery hereof have been in all respects duly authorized:

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That in consideration of the premises and of the sum of one dollar duly paid by the Company to the Trustee at or before the execution and delivery of these presents, the receipt whereof is hereby acknowledged, the Company hereby covenants and agrees with the Trustee and its successors in the trust under the Indenture as follows:

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PART ONE.

BONDS OF THE 2 $\frac{7}{8}$ % SERIES DUE 1979.

SECTION 1. The Company hereby creates a new series of bonds to be issued under and secured by the Indenture and known as its First and Refunding Mortgage Bonds, 2 $\frac{7}{8}$ % Series Due 1979 (referred to herein as the "bonds of the 1979 Series"), and the Company hereby establishes, determines and fixes the terms and provisions of the bonds of the 1979 Series as hereinafter in this Part One set forth.

SECTION 2. All coupon bonds of the 1979 Series shall be dated February 1, 1949, and shall bear interest from that date, and all registered bonds of the 1979 Series without coupons shall be dated as of the day of authentication (except that if any registered bond shall be authenticated on any interest payment date, it shall be dated as of the day following) and shall bear interest from the interest payment day next preceding such date. All bonds of the 1979 Series shall mature as to principal on February 1, 1979, and shall bear interest at the rate of 2 $\frac{7}{8}$ % per annum, payable semi-annually on the first days of February and August in each year, and the earliest date which shall be deemed to be an interest payment date as referred to in the preceding sentence (from which interest may accrue on any registered bond without coupons) shall be February 1, 1949.

SECTION 3. The bonds of the 1979 Series shall be issuable either in the form of coupon bonds registerable as to principal only, in the denomination of One Thousand Dollars (\$1,000) each, to be numbered consecutively, beginning with the number DM-1, and/or as registered bonds without coupons in denominations of One Thousand Dollars (\$1,000) or any multiple of One Thousand Dollars (\$1,000), all such registered bonds in the denomination of