

any, or interest on this bond, or for the enforcement of any claim based hereon, or otherwise in respect hereof or of the Indenture, against any promoter, subscriber to the capital stock, incorporator, or any past, present or future stockholder, officer or director of the Company as such, or of any successor or predecessor corporation, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment, penalty, subscription or otherwise, any and all such liability of promoters, subscribers, incorporators, stockholders, officers and directors being waived and released by each successive holder hereof by the acceptance of this bond, and as a part of the consideration for the issue hereof, and being likewise waived and released by the terms of the Indenture.

Neither this bond nor any of the coupons for interest hereon shall become or be valid or obligatory for any purpose until the Trustee shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, said Duke Power Company has caused this bond to be signed in its name by its President or one of its Vice-Presidents, and its corporate seal to be hereto affixed, or a facsimile thereof to be hereon engraved, lithographed or printed, and to be attested by its Secretary or one of its Assistant Secretaries, and interest coupons, each bearing the facsimile signature of its Treasurer, to be attached hereto, all as of the first day of February, 1949.

DUKE POWER COMPANY,

By
Vice-President.

ATTEST:

.....
Secretary.

ment day next preceding the date hereof, at the rate of two and seven-eighths per cent. per annum, in like coin or currency, at said office or agency, semi-annually on February 1 and August 1 in each year, until the principal hereof becomes due and payable.

This bond is one of the bonds of a series, designated specially as First and Refunding Mortgage Bonds, 2⁷/₈% Series Due 1979, of an authorized issue of bonds of the Company, without limit as to aggregate principal amount, designated generally as First and Refunding Mortgage Bonds, all issued and to be issued under and equally and ratably secured by an indenture dated as of December 1, 1927, duly executed by the Company to Guaranty Trust Company of New York, as Trustee, as supplemented and modified by indentures supplemental thereto, including the supplemental indenture dated as of February 1, 1949, providing for said series (said indenture as so supplemented and modified being hereinafter referred to as the "Indenture"), to which Indenture reference is made for a description of the property mortgaged, the nature and extent of the security, the rights of the holders of the bonds in respect thereof, the terms and conditions upon which the bonds are secured and the restrictions subject to which additional bonds secured thereby may be issued. To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the bonds and coupons may be made with the consent of the Company by the affirmative vote, or with the written consent, of the holders of not less than 66²/₃% in amount of the bonds then outstanding, and by the affirmative vote, or with the written consent, of the holders of not less than 66²/₃% in amount of the bonds of any series then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of bonds then outstanding under the Indenture are so affected, evidenced, in each case, as provided in the Indenture; provided that any supplemental indenture may

[FORM OF INTEREST COUPON, BONDS OF THE 1979 SERIES.]

No.

§

On the first day of _____, 19____, Duke Power Company will pay to bearer, at its office or agency in the Borough of Manhattan, The City of New York, upon surrender of this coupon, _____ Dollars in any coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts, being six months' interest then due on its First and Refunding Mortgage Bond, 2⁷/₈% Series Due 1979, No. DM-_____, unless said bond shall have been called for previous redemption and payment duly provided for.

Treasurer.

[FORM OF REGISTERED BOND WITHOUT COUPONS OF THE 1979 SERIES.]

DUKE POWER COMPANY

FIRST AND REFUNDING MORTGAGE BOND,
2⁷/₈% SERIES DUE 1979

Due February 1, 1979

No. DR

§

Duke Power Company, a New Jersey corporation (hereinafter called the "Company"), for value received, acknowledges itself indebted and hereby promises to pay to _____ or registered assigns on February 1, 1979, _____ Thousand Dollars, in any coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts, at the office or agency of the Company in the Borough of Manhattan, The City of New York, and to pay interest thereon from the interest pay-

be modified in accordance with the provisions contained therein for its modification; and provided, further, that no such modification or alteration shall be made which will affect the terms of payment of the principal of, or interest or premium on, this bond, or the right of any bondholder to institute suit for the enforcement of any such payment on or after the respective due dates expressed in this bond, or reduce the percentage required for the taking of any such action. Any such affirmative vote of, or written consent given by, any holder of this bond is binding upon all subsequent holders hereof as provided in the Indenture.

In case an event of default as defined in the Indenture shall occur, the principal of all the bonds outstanding thereunder may become or be declared due and payable, at the time, in the manner and with the effect provided in the Indenture.

The bonds of this series are subject to redemption (otherwise than for the Replacement Fund hereinafter mentioned or upon application of certain moneys included in the trust estate) prior to maturity at the option of the Company, as a whole at any time or in part from time to time, at the following redemption prices (expressed as percentages of their principal amounts), respectively:

- 104.31% if redeemed on or before January 31, 1950
- 104.17% if redeemed thereafter and on or before January 31, 1951
- 104.02% if redeemed thereafter and on or before January 31, 1952
- 103.87% if redeemed thereafter and on or before January 31, 1953
- 103.72% if redeemed thereafter and on or before January 31, 1954
- 103.57% if redeemed thereafter and on or before January 31, 1955
- 103.42% if redeemed thereafter and on or before January 31, 1956
- 103.27% if redeemed thereafter and on or before January 31, 1957
- 103.13% if redeemed thereafter and on or before January 31, 1958
- 102.98% if redeemed thereafter and on or before January 31, 1959
- 102.83% if redeemed thereafter and on or before January 31, 1960
- 102.68% if redeemed thereafter and on or before January 31, 1961
- 102.53% if redeemed thereafter and on or before January 31, 1962
- 102.38% if redeemed thereafter and on or before January 31, 1963
- 102.23% if redeemed thereafter and on or before January 31, 1964
- 102.09% if redeemed thereafter and on or before January 31, 1965
- 101.94% if redeemed thereafter and on or before January 31, 1966
- 101.79% if redeemed thereafter and on or before January 31, 1967
- 101.64% if redeemed thereafter and on or before January 31, 1968