

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, manually or by facsimile signature, and its corporate seal to be hereto affixed, or a facsimile thereof to be hereon engraved, lithographed or printed, and to be attested by the manual or facsimile signature of 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, 1960.

DUKE POWER COMPANY,

By
Vice-President.

Secretary.

[FORM OF INTEREST COUPON, BONDS OF THE 1990 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, the amount shown hereon 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, 5 1/8% Series Due 1990, No. IM-_____, unless said bond shall have been called for previous redemption and payment duly provided for.

Treasurer.

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FORM OF REGISTERED BOND WITHOUT COUPONS OF THE 1990 SERIES.]

DUKE POWER COMPANY

FIRST AND REFUNDING MORTGAGE BOND,

5 1/8% SERIES DUE 1990

Due February 1, 1990

No. IR-_____

\$ _____

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, 1990,

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 payment day next preceding the date hereof, at the rate of five and one-eighth 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, 5 1/8% Series Due 1990, 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 (now Morgan Guaranty Trust Company of New York), as Trustee, as supplemented and modified by indentures supplemental thereto, including supplemental indentures dated as of September 1, 1947, February 1, 1949, April 1, 1951, January 1, 1955 and May 1, 1956, and a supplemental indenture dated as of February 1, 1960, 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

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