

SUPPLEMENTAL INDENTURE, bearing date as of the first day of December, 1975, made and entered into by and between DUKE POWER COMPANY, a corporation duly organized and existing under the laws of the State of North Carolina, having its principal place of business in the City of Charlotte, State of North Carolina, at 422 South Church Street, hereinafter called the "Company", party of the first part, and MORGAN 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, at 23 Wall Street, hereinafter called the "Trustee", as Trustee, party of the second part.

WHEREAS Duke Power Company, a New Jersey corporation, hereinafter called the "New Jersey Company", duly executed and delivered its First and Refunding Mortgage, dated as of December 1, 1927, to Guaranty Trust Company of New York, as Trustee, to secure its First and Refunding Mortgage Gold Bonds, 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, including supplemental indentures dated as of September 1, 1947, February 1, 1949, April 1, 1951 and May 1, 1956, to Guaranty Trust Company of New York (the corporate name of which has been changed to Morgan Guaranty Trust Company of New York), as Trustee, and supplemental indentures dated as of February 1, 1960, February 1, 1962 and August 1, 1962, respectively, to Morgan Guaranty Trust Company of New York, as Trustee, supplementing and modifying said Mortgage (said Mortgage, as so supplemented and modified, being hereinafter referred to as the "original indenture"); and

WHEREAS the Company has duly executed and delivered a supplemental indenture, dated as of June 15, 1964, to Morgan Guaranty Trust Company of New York, as Trustee, for the purpose of evidencing the succession by merger of the Company to the New Jersey Company and the assumption by the Company of the covenants and conditions of the New Jersey Company in the original indenture and to enable the Company to have and exercise the powers and rights of the New Jersey Company under the original indenture in accordance with the terms thereof and whereby the Company assumed and agreed to pay duly and punctually the principal of and interest on the bonds issued under the original indenture in accordance with the provisions of said bonds and the

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