
DUKE POWER COMPANY

TO

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK,

Trustee

SIXTY-FOURTH SUPPLEMENTAL INDENTURE

Dated as of July 1, 1991

CREATING AN ISSUE OF
FIRST AND REFUNDING MORTGAGE BONDS,
CITY OF GREENSBORO SERIES DUE 2027

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

SUPPLEMENTAL INDENTURE, bearing date as of the first day of July, 1991, 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, 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, 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 and February 1, 1949, 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 bonds of a series known as the "First and Refunding Mortgage Bonds, 2.65% Series Due 1977" (herein called "bonds of the 2.65% Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 2 7/8% Series Due 1979" (herein called "bonds of the 1979 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 4 1/2% Series Due 1992" (herein called "bonds of the 1992 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 4 1/4% Series B Due 1992" (herein called "bonds of the 1992 Series B"), bonds of a series known as the "First and Refunding Mortgage Bonds, 4 1/2% Series Due 1995" (herein called "bonds of the 1995 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 5 3/8% Series Due 1997" (herein called "bonds of the 1997 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 6 3/8% Series Due 1998" (herein called "bonds of the 1998 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 7% Series Due 1999" (herein called "bonds of the 1999 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 8% Series B Due 1999" (herein called "bonds of the 1999 Series B"), bonds of a series known as the "First and Refunding Mortgage Bonds, 8 1/2% Series Due 2000" (herein called "bonds of the 2000 Series"), bonds of a series known as the "First and Refunding

Mortgage Bonds, 8 5/8% Series B Due 2000" (herein called "bonds of the 2000 Series B"), bonds of a series known as the "First and Refunding Mortgage Bonds, 7 1/2% Series Due 2001" (herein called "bonds of the 2001 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 7 3/8% Series B Due 2001" (herein called "bonds of the 2001 Series B"), bonds of a series known as the "First and Refunding Mortgage Bonds, 7 3/4% Series Due 2002" (herein called "bonds of the 2002 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 7 3/8% Series B Due 2002" (herein called "bonds of the 2002 Series B"), bonds of a series known as the "First and Refunding Mortgage Bonds, 7 3/4% Series Due 2003" (herein called "bonds of the 2003 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 8 1/8% Series B due 2003" (herein called "bonds of the 2003 Series B"), bonds of a series known as the "First and Refunding Mortgage Bonds, 9 3/4% Series Due 2004" (herein called "bonds of the 2004 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 9 1/2% Series Due 2005" (herein called "bonds of the 2005 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 8 3/8% Series Due 2006" (herein called "bonds of the 2006 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 8 1/8% Series Due 2007" (herein called "bonds of the 2007 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 9 3/8% Series Due 2008" (herein called "bonds of the 2008 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 10 1/8% Series Due 2009" (herein called "bonds of the 2009 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 9 1/8% Pollution Control Series Due 2013" (herein called "bonds of the 2013 Pollution Control Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 10 1/8% Series B Due 2015" (herein called "bonds of the 2015 Series B"), bonds of a series known as the "First and Refunding Mortgage Bonds, 7 7/8% Series Due 1996" (herein called "bonds of the 1996 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 9% Series Due 2016" (herein called "bonds of the 2016 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 8 1/2% Series B Due 1995" (herein called "bonds of the 1995 Series B"), bonds of a series known as the "First and Refunding Mortgage Bonds, 8 1/2% Series Due 2017" (herein called "bonds of the 2017 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, Annual Tender Pollution Control Series 1987 A" (herein called "bonds of the 1987 Pollution Control Series A"), bonds of a series known as the "First and Refunding Mortgage Bonds, Annual Tender Pollution Control Series 1987 B" (herein called "bonds of the 1987 Pollution Control Series B"), bonds of a series known as the "First and Refunding Mortgage Bonds, 7 1/2% Series B Due 1997" (herein called "bonds of the 1997 Series B"), bonds of a series known as the "First and Refunding Mortgage Bonds, Annual Tender

Pollution Control Series 1987 C" (herein called "bonds of the 1987 Pollution Control Series C"), bonds of a series known as the "First and Refunding Mortgage Bonds, 9 5/8% Series Due 2020" (herein called "bonds of the 2020 Series"), bonds of a series known as the "First and Refunding Mortgage Bonds, 10 1/8% Series B Due 2020" (herein called "bonds of the 2020 Series B"), bonds of a series known as the "First and Refunding Mortgage Bonds, Pollution Control Facilities Revenue Refunding Series Due 2014" (herein called "bonds of the 1990 Pollution Control Series") and bonds of a series known as the "First and Refunding Mortgage Bonds, 8 3/4% Series Due 2021" (herein called "bonds of the 2021 Series") have heretofore been issued and (except for bonds of the 2.65% Series and bonds of the 1979 Series which have been retired in their entirety) are the only bonds now outstanding under the original indenture as heretofore supplemented; 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 coupons thereto appertaining and the original indenture, and agreed to perform and fulfill all the terms, covenants and conditions of the original indenture binding upon the New Jersey Company; and

WHEREAS the Company desires to create under the original indenture, as heretofore supplemented and as to be supplemented by this supplemental indenture, a new series of bonds to be known as its "First and Refunding Mortgage Bonds, City of Greensboro Series Due 2027", and to determine the terms and provisions and the form of the bonds of such series; 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 the original indenture (the original indenture, as supplemented by the aforesaid supplemental indenture dated as of June 15, 1964, by supplemental indentures dated as of February 1, 1965, April 1, 1967, February 1, 1968, February 1, 1969, September 1, 1969, March 1, 1970, August 1, 1970, March 1, 1971, December 1, 1971, April 1, 1972, December 1, 1972, June 1, 1973, November 1, 1973, May 1, 1974, February 1, 1975, October

1, 1976, September 1, 1977, August 1, 1978, June 1, 1979, May 1, 1983, December 1, 1985, April 1, 1986, May 1, 1986, June 1, 1986, February 1, 1987, February 15, 1987, March 1, 1987, October 1, 1987, February 1, 1990, March 1, 1990, May 1, 1990, May 15, 1990, March 1, 1991 and as hereby supplemented, being sometimes hereinafter referred to as the "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:

PART ONE.

BONDS OF THE CITY OF GREENSBORO SERIES DUE 2027.

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, City of Greensboro Series Due 2027 (herein called "bonds of the 2027 City of Greensboro Series"), and the Company hereby establishes, determines and fixes the terms and provisions of the bonds of the 2027 City of Greensboro Series as hereinafter in this Part One set forth.

The bonds of the 2027 City of Greensboro Series shall initially consist of a sole bond which shall be dated the date of its initial authentication. Each other bond of the 2027 City of Greensboro Series, if any, shall be dated the date of its authentication except that if any such bond shall be authenticated on any Payment Date (as defined in Section 2 hereof), it shall be dated the following day.

SECTION 2. The aggregate principal amount of the bonds of the 2027 City of Greensboro Series is limited to \$15,994,025 (the "Principal Amount") (except as otherwise provided in the Indenture with respect to lost, stolen, destroyed or mutilated bonds of the 2027 City of Greensboro Series). The bonds of the 2027 City of Greensboro Series shall bear interest at the interest rate of eight and ninety-

five hundredths percent per annum (the "Interest Rate") on the unpaid balance of the principal amount of such bonds.

The amount due and owing under any bond of the 2027 City of Greensboro Series shall be payable in equal annual installments (each an "Installment") on July 1 of each year from July 1, 1992 through July 1, 2027 inclusive (each a "Payment Date") 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. Each Installment shall consist of a principal portion and an interest portion which shall be payable to the registered holder of such bond on the relevant Payment Date. Each such Installment when paid shall be applied first to the payment of interest on the unpaid balance of such bond at the Interest Rate and the remainder thereof to the payment on account of principal. Each Installment shall be paid by check mailed to the person in whose name the bonds of the 2027 City of Greensboro Series are registered on the 15th day of June preceding the relevant Payment Date (subject to certain exceptions provided in the Indenture hereinafter mentioned) at his last address as it shall appear upon the bond register of the Company.

SECTION 3. The bonds of the 2027 City of Greensboro Series shall be issued as fully registered bonds, without coupons. The provision of § 1.19 and any other provision in the Indenture in respect of coupon bonds or reservation of coupon bond numbers shall be inapplicable to the bonds of the 2027 City of Greensboro Series.

The bonds of the 2027 City of Greensboro Series may not be sold, transferred, pledged, hypothecated or otherwise disposed of without the prior written consent of the Company. The bonds of the 2027 City of Greensboro Series may not be exchanged for bonds of the same series of the same or other denominations without the prior written consent of the Company.

The Trustee may conclusively presume that the obligation of the Company to pay the principal of and interest on the bonds of the 2027 City of Greensboro Series as the same shall become due and payable shall have been fully satisfied and discharged unless and until it shall have received a written notice from the registered holder of any such bond, stating that an Installment has become due and payable and has not been fully paid.

SECTION 4. The bonds of the 2027 City of Greensboro Series are not subject to redemption by the Company, nor may any such bond be prepaid at the option of its registered holder.

SECTION 5. The place or places of transfer, exchange and registration of the bonds of the 2027 City of Greensboro Series shall be the office or offices or the agency or agencies of the Company in the Borough of Manhattan, The City of New York, designated from time to time by the Board of Directors of the Company.

SECTION 6. Amounts due under each bond of the 2027 City of Greensboro Series shall be payable in equal annual installments on the payment dates that are specified in the bond, with each installment consisting of a principal portion and an interest portion in such amounts as are stipulated in a payment schedule provided by the Company (i) to the Trustee in an officer's certificate and (ii) to the holder of such bond, upon the issuance of such bond.

SECTION 7. The form of the bonds of the 2027 City of Greensboro Series and the certificate of the Trustee to be endorsed on the bonds, respectively, shall be substantially as follows:

[FORM OF BOND OF THE 2027 CITY OF GREENSBORO SERIES]

THIS BOND HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT") OR ANY OTHER APPLICABLE SECURITIES LAW AND, ACCORDINGLY, THIS BOND MAY NOT BE OFFERED, SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS EITHER REGISTERED PURSUANT TO, OR IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER, THE 1933 ACT AND ANY OTHER APPLICABLE SECURITIES LAW. THIS BOND MAY NOT BE SOLD, TRANSFERRED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF WITHOUT THE PRIOR WRITTEN CONSENT OF THE COMPANY.

DUKE POWER COMPANY

**FIRST AND REFUNDING MORTGAGE BOND,
City of Greensboro Series Due 2027**

DUKE POWER COMPANY, a North Carolina corporation (hereinafter called the "Company"), for value received, hereby promises to pay to _____ or registered assigns, the principal amount of \$_____ (the "Principal Amount"), together with interest at the interest rate of eight and ninety-five hundredths percent per annum (the "Interest Rate") on the unpaid balance of the Principal Amount until this bond is paid in full.

together with interest at the interest rate of eight and ninety-five hundredths percent per annum on the unpaid balance of the Principal Amount until this bond is paid in full.

The amount due and owing hereunder shall be payable in thirty-six equal annual installments (each an "Installment") each in the amount of \$_____ on July 1 of each year from July 1, 1992 through July 1, 2027 inclusive (each a "Payment Date") 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. Each such Installment when paid shall be applied first to the payment of interest on the unpaid balance at the Interest Rate and the remainder thereof to the payment on account of principal. Each Installment shall be paid by check mailed to the person in whose name this bond is registered on the 15th day of June preceding the relevant Payment Date (subject to certain exceptions provided in the Indenture hereinafter mentioned) at his last address as it shall appear upon the bond register of the Company.

This bond is one of the bonds of a series, designated specially as First and Refunding Mortgage Bonds, City of Greensboro Series Due 2027, of an authorized issue of bonds of the Company, limited, except as otherwise provided in the Indenture (as hereinafter defined), in aggregate principal amount to \$15,994,025, 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 Duke Power Company, a New Jersey corporation (hereinafter called the "New Jersey 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, February 1, 1960, February 1, 1962, August 1, 1962, June 15, 1964 (under which the Company succeeded to and was substituted for the New Jersey Company), February 1, 1965, April 1, 1967, February 1, 1968, February 1, 1969, September 1, 1969, March 1, 1970, August 1, 1970, March 1, 1971, December 1, 1971, April 1, 1972, December 1, 1972, June 1, 1973, November 1, 1973, May 1, 1974, February 1, 1975, October 1, 1976, September 1, 1977, August 1, 1978, June 1, 1979, May 1, 1983, December 1, 1985, April 1, 1986, May 1, 1986, June 1, 1986, February 1, 1987, February 15, 1987, March 1, 1987, October 1, 1987, February 1, 1990, March 1, 1990, May 1, 1990, May 15, 1990, March 1, 1991 and July 1, 1991, the latter 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 $66 \frac{2}{3}\%$ in amount of the bonds then outstanding, and by the affirmative vote, or with the written consent, of the holders of not less than $66 \frac{2}{3}\%$ 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 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 on this bond, or the right of the 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, the holder of this bond is binding upon any subsequent holder 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.

This bond is not subject to redemption by the Company nor may this bond be prepaid at the option of its registered holder.

The Trustee may conclusively presume that the obligation of the Company to pay the principal of and interest on this bond as the same shall become due and payable shall have been fully satisfied and discharged unless and until it shall have received a written notice from the registered holder hereof, stating that an Installment has become due and payable and has not been fully paid.

This bond may not be sold, transferred, pledged, hypothecated or otherwise disposed of without the prior written consent of the Company. This bond may not be exchanged for bonds of the same series of the same or other denominations without the prior written consent of the Company.

The place or places of transfer, exchange and registration of this bond shall be the office or offices or the agency or agencies of the Company in the Borough of

[FORM OF TRUSTEE'S CERTIFICATE FOR
BOND OF THE 2027 CITY OF GREENSBORO SERIES]

This bond is one of the bonds, of the series designated therein, described in the within-mentioned Indenture.

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK,

Trustee

By _____
Authorized Officer

[END OF BOND FORM]

PART TWO.

ADDITIONAL COVENANTS OF THE COMPANY.

SECTION 1. Whether or not the covenants on the part of the Company contained in Part Three of the supplemental indenture dated as of February 1, 1949 are modified with the consent of the holders of bonds of the 1992 Series, the 1992 Series B, the 1995 Series, the 1997 Series, the 1998 Series, the 1999 Series, the 1999 Series B, the 2000 Series, the 2000 Series B, the 2001 Series, the 2001 Series B, the 2002 Series, the 2002 Series B, the 2003 Series, the 2003 Series B, the 2004 Series, the 2005 Series, the 2006 Series, the 2007 Series, the 2008 Series, the 2009 Series, the 2013 Pollution Control Series, the 2015 Series B, the 1996 Series, the 2016 Series, the 1995 Series B, the 2017 Series, the 1987 Pollution Control Series A, the 1987 Pollution Control Series B, the 1997 Series B, the 1987 Pollution Control Series C, the 2020 Series, the 2020 Series B, the 1990 Pollution Control Series or the 2021 Series and whether or not the bonds of the 1992 Series, the 1992 Series B, the 1995 Series, the 1997 Series, the 1998 Series, the 1999 Series, the 1999 Series B, the 2000 Series, the 2000 Series B, the 2001 Series, the 2001 Series B, the 2002 Series, the 2002 Series B, the 2003 Series, the 2003 Series B, the 2004 Series, the 2005 Series, the 2006 Series, the 2007 Series, the 2008 Series, the 2009 Series, the 2013 Pollution Control Series, the 2015 Series B, the 1996 Series, the 2016 Series, the 1995 Series B, the 2017 Series, the 1987 Pollution Control Series A, the 1987 Pollution Control Series B, the 1997 Series B, the 1987 Pollution Control Series C, the 2020 Series, the 2020 Series B, the 1990 Pollution

Control Series or the 2021 Series are outstanding, such covenants on the part of the Company contained in said Part Three shall continue and remain in full force and effect so long as any bonds of the 2027 City of Greensboro Series are outstanding and to the same extent as though the words "or so long as any bonds of the 2027 City of Greensboro Series are outstanding" were inserted after the words "so long as any of the bonds of the 1979 Series or any bonds of the 2.65% Series are outstanding" wherever such words appear in said Part Three of the supplemental indenture dated as of February 1, 1949.

SECTION 2. Whether or not the second sentence of paragraph (a) of § 2.08 of the original indenture (making certain provisions for the definition of the term "net amount" applicable while bonds of the 2.65% Series were outstanding and which was originally set forth in Section 4 of Article One of the supplemental indenture dated as of September 1, 1947 and which is corrected and clarified by Section 2 of Part Four of the supplemental indenture dated as of February 1, 1968) is modified with the consent of the holders of bonds of the 1992 Series, the 1992 Series B, the 1995 Series, the 1997 Series, the 1998 Series, the 1999 Series, the 1999 Series B, the 2000 Series, the 2000 Series B, the 2001 Series, the 2001 Series B, the 2002 Series, the 2002 Series B, the 2003 Series, the 2003 Series B, the 2004 Series, the 2005 Series, the 2006 Series, the 2007 Series, the 2008 Series, the 2009 Series, the 2013 Pollution Control Series, the 2015 Series B, the 1996 Series, the 2016 Series, the 1995 Series B, the 2017 Series, the 1987 Pollution Control Series A, the 1987 Pollution Control Series B, the 1997 Series B, the 1987 Pollution Control Series C, the 2020 Series, the 2020 Series B, the 1990 Pollution Control Series or the 2021 Series and whether or not bonds of the 1992 Series, the 1992 Series B, the 1995 Series, the 1997 Series, the 1998 Series, the 1999 Series, the 1999 Series B, the 2000 Series, the 2000 Series B, the 2001 Series, the 2001 Series B, the 2002 Series, the 2002 Series B, the 2003 Series, the 2003 Series B, the 2004 Series, the 2005 Series, the 2006 Series, the 2007 Series, the 2008 Series, the 2009 Series, the 2013 Pollution Control Series, the 2015 Series B, the 1996 Series, the 2016 Series, the 1995 Series B, the 2017 Series, the 1987 Pollution Control Series A, the 1987 Pollution Control Series B, the 1997 Series B, the 1987 Pollution Control Series C, the 2020 Series, the 2020 Series B, the 1990 Pollution Control Series or the 2021 Series are outstanding, said sentence shall continue and remain in full force and effect so long as the bonds of the 2027 City of Greensboro Series are outstanding, and with the same force and effect as though said sentence had stated that such provisions were to be applicable so long as the bonds of the 2027 City of Greensboro Series are outstanding.

PART THREE.

MISCELLANEOUS.

SECTION 1. For the purposes of § 2.10 of the Indenture and for the purposes of any modification of the provisions of Part Two of this supplemental indenture, the covenants and provisions on the part of the Company which are set forth or incorporated in said Part Two shall be for the benefit only of the holders of the bonds of the 2027 City of Greensboro Series. Such covenants and provisions shall remain in force and be applicable only so long as any bonds of the 2027 City of Greensboro Series shall be outstanding, and, subject to the provisions of paragraph (2) of subdivision (c) of § 10.01 of the Indenture, any such covenants and provisions may be modified with the consent, in writing or by vote at a bondholders' meeting, of the holders of sixty-six and two-thirds per cent ($66 \frac{2}{3}\%$) of the principal amount of the bonds of the 2027 City of Greensboro Series at the time outstanding and without the consent of the holders of any other bonds then outstanding under the Indenture; provided that no such consent shall be effective to waive any past default under such covenants and provisions, and its consequences, unless the consent of the holders of at least a majority in principal amount of all bonds then outstanding under the Indenture is obtained. Such covenants shall be deemed to be additional covenants and none of them shall affect or derogate from, or relieve the Company from, its obligation to comply with any of the other covenants, conditions, requirements or provisions of the Indenture or any other supplemental indenture.

SECTION 2. All terms contained in this supplemental indenture shall, except as specifically provided herein or except as the context may otherwise require, have the meanings given to such terms in the Indenture.

SECTION 3. In case any one or more of the provisions contained in this supplemental indenture should be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision contained in this supplemental indenture, and, to the extent, but only to the extent, that such provision is invalid, illegal or unenforceable, this supplemental indenture shall be construed as if such provision had never been contained herein.

SECTION 4. The Trustee hereby accepts the trusts herein declared and provided upon the terms and conditions in the Indenture set forth.

SECTION 5. This supplemental indenture may be executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, Duke Power Company, the party of the first part hereto, has caused this supplemental indenture to be signed in its name by one of its Vice Presidents and its corporate seal to be hereunto affixed, and the same to be attested by one of its Assistant Secretaries, and Morgan Guaranty Trust Company of New York, the party of the second part hereto, in token of its acceptance of the trust hereby created, has caused this supplemental indenture to be signed in its name by one of its Vice Presidents and its corporate seal to be hereunto affixed, and the same to be attested by one of its Assistant Secretaries, all as of the day and year first above written.

DUKE POWER COMPANY

By _____
RICHARD J. OSBORNE
Vice President

Attest:

CAROLYN R. DUNCAN
Assistant Secretary

Signed, sealed, executed,
acknowledged and delivered by
DUKE POWER COMPANY, in the
presence of:

SADIE M. McQUAGE

SANDRA J. RACE

MORGAN GUARANTY TRUST COMPANY
OF NEW YORK

By _____
M. CULHANE
Vice President

Attest:

M.P. KOWALEWSKI
Assistant Secretary

Signed, sealed, executed,
acknowledged and delivered by
MORGAN GUARANTY TRUST COMPANY
OF NEW YORK, in the presence of:

ERICA J. SCHERZ

M.E. McNULTY

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Personally appeared before me ERICA J. SCHERZ, and made oath that she saw M. CULHANE, a Vice President, and M.P. KOWALEWSKI, an Assistant Secretary, respectively, of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, sign, attest and affix hereto the corporate seal of said Morgan Guaranty Trust Company of New York, and, as the act and deed of said corporation, deliver the within written and foregoing deed, and that she, with M.E. McNULTY, witnessed the execution thereof.

ERICA J. SCHERZ

Sworn and subscribed before me
this 20th day of June, 1991.

DENNIS BERTRON
Notary Public, State of
New York No. 41-4907130
Qualified in New York County
Commission expires December 21, 1991

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, DENNIS BERTRON, a Notary Public in and for the State and County aforesaid, certify that M.P. KOWALEWSKI personally came before me this day and acknowledged that he is an Assistant Secretary of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, a New York corporation, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by one of its Vice Presidents, sealed with its corporate seal, and attested by himself as one of its Assistant Secretaries.

Witness my hand and official seal, this 20th day of
June, 1991.

DENNIS BERTRON
Notary Public, State of
New York No. 41-4907130
Qualified in New York County
Commission expires December 21, 1991

STATE OF NORTH CAROLINA)
) ss.:
COUNTY OF MECKLENBURG)

Personally appeared before me SADIE M. McQUAGE, and made oath that she saw RICHARD J. OSBORNE, a Vice President, and CAROLYN R. DUNCAN, an Assistant Secretary, respectively, of DUKE POWER COMPANY, sign, attest and affix hereto the corporate seal of said Duke Power Company, and, as the act and deed of said corporation, deliver the within written and foregoing deed, and that she, with SANDRA J. RACE, witnessed the execution thereof.

SADIE M. McQUAGE

Sworn and subscribed before me
this 19th day of June, 1991.

BRENDA M. ATCHLEY
Notary Public
Union County, N.C.
My Commission expires December 4, 1994.

STATE OF NORTH CAROLINA)
) ss.:
COUNTY OF MECKLENBURG)

I, BRENDA M. ATCHLEY, a Notary Public in and for the State and County aforesaid, certify that CAROLYN R. DUNCAN personally came before me this day and acknowledged that she is an Assistant Secretary of DUKE POWER COMPANY, a North Carolina corporation, and that, by authority duly given and as the act of the corporation, the foregoing instrument was signed in its name by one of its Vice Presidents, sealed with its corporate seal, and attested by herself as one of its Assistant Secretaries.

My commission expires December 4, 1994.

Witness my hand and official seal, this 19th day of
June, 1991.

BRENDA M. ATCHLEY
Notary Public
Union County, N.C.