

manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder received such notice; and failure duly to give such notice by mail, or any defect in such notice, to the holder of any bond designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other bond. No publication of notice of such redemption shall be required.

SECTION 8. The aggregate principal amount of bonds of the 1988 Pollution Control Series which may be authenticated and delivered hereunder shall not exceed \$25,000,000 and the aggregate principal amount of bonds of the 2013 Pollution Control Series which may be authenticated and delivered hereunder shall not exceed \$77,000,000.

SECTION 9. The place or places of payment (as to principal and premium, if any, and interest), redemption, transfer, exchange and registration of the bonds of the 1988 Pollution Control Series and the bonds of the 2013 Pollution Control 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 10. The forms of the bonds of the 1988 Pollution Control Series and of the bonds of the 2013 Pollution Control Series, the certificate of the Trustee to be endorsed on the bonds and the schedule of payments on the bonds shall be substantially as follows:

[FORM OF BOND OF THE 1988 POLLUTION CONTROL SERIES]

DUKE POWER COMPANY
FIRST AND REFUNDING MORTGAGE BOND,
6 $\frac{5}{8}$ % Pollution Control Series Due 1988

No.

\$

DUKE POWER COMPANY, a North Carolina corporation (hereinafter called the "Company"), for value received, hereby promises to pay to or registered assigns, the principal sum of _____ Dollars on May 1, 1988, 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

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