

The bonds of this series have been issued by the Company to Oconee County, South Carolina (herein called the "County") and registered initially in the name of Wachovia Bank and Trust Company, N.A., as Trustee (hereinafter called the "Revenue Bond Trustee", which term, as used herein, shall include any successor trustee), for the account of the County to further evidence and secure the obligation of the Company to repay the loan (herein called the "Loan") made by the County to the Company to assist in the financing of the costs of acquiring, constructing and installing certain real and personal property, including costs incidental thereto and to the financing thereof, comprising certain pollution control facilities as defined in Section 48-3-10 of the 1976 Code of Laws of South Carolina to be owned by the Company and located at the Company's Oconee Nuclear Station. The Loan is made pursuant to a certain Loan Agreement, dated as of May 1, 1983, between the County and the Company (herein called the "Loan Agreement"). To provide funds for the Loan, the County has issued \$102,000,000 principal amount of Pollution Control Revenue Bonds, Series A (Duke Power Company Project) (herein called the "Revenue Bonds"), under a Trust Indenture, dated as of May 1, 1983, (herein called the "Revenue Bond Indenture"), from the County to the Revenue Bond Trustee. The bonds of this series correspond in principal amount, interest rate, maturity and redemption provisions with the Revenue Bonds maturing in 2013 and have been pledged and assigned by, and delivered on behalf of, the County to the Revenue Bond Trustee as security for the payment of the principal of and premium, if any, and interest on the Revenue Bonds.

The bonds of this series are subject to redemption (otherwise than through application of certain moneys included in the trust estate) by the Company prior to maturity in whole at any time, all as more fully provided in Section 4(a) of Part One of the supplemental indenture, dated as of May 1, 1983, providing for this series (hereinafter called the "Supplemental Indenture"), in the event the Company exercises its option to prepay the Loan, pursuant to Section 8.1 of the Loan Agreement, and an equivalent principal amount of Revenue Bonds maturing in 2013 are being concurrently called for redemption, at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date fixed for redemption.

The bonds of this series are also subject to redemption (otherwise than through application of certain moneys included in the trust estate) by the Company, prior to maturity in whole at any time or in part from time to time,

R
7
5
0

4328-NV-21