

THIS INDENTURE, made and entered into as of the 1st day of October, 1954, by and between DUKE POWER COMPANY a corporation organized and existing under and by virtue of the laws of the State of New Jersey (hereinafter sometimes called the "Company"), party of the first part, and GUARANTY TRUST COMPANY OF NEW YORK, a corporation organized and existing under and by virtue of the laws of the State of New York, and having its principal place of business in the Borough of Manhattan, City and State of New York (hereinafter sometimes called the "Trustee"), party of the second part, WITNESSETH:

WHEREAS, the Company did, on or about the 28th day of December, 1927, make, execute and deliver unto the party of the second part, as Trustee, a First and Refunding Mortgage, dated as of the 1st day of December, 1927, to secure the bonded indebtedness of the Company therein referred to, which mortgage is recorded in the public registries of the various counties in North Carolina and South Carolina where the mortgaged property is located; and,

WHEREAS, the Company has, since the making, executing and delivering of said First and Refunding Mortgage, made, executed and delivered unto the Trustee twelve separate indentures or supplemental mortgages, dated respectively as of March 12, 1930, July 1, 1935, December 1, 1935, September 1, 1936, January 1, 1941, April 1, 1944, September 1, 1947, September 8, 1947, February 1, 1949, March 1, 1949, April 1, 1951, and September 1, 1953, supplementing and modifying said First and Refunding Mortgage (said First and Refunding Mortgage, as so supplemented and modified, being hereinafter sometimes called the "Mortgage"); and,

WHEREAS, by the terms of the Mortgage, it is the duty of the Company to execute, acknowledge and deliver such further deeds, transfers, assurances and assignments, for the better assuring, conveying and confirming unto the Trustee all and singular the mortgaged property as the Trustee may reasonably direct for the purpose of expressly and specifically subjecting the same to the lien of the Mortgage; and,

WHEREAS, the Company has acquired or constructed certain property located in various counties in North Carolina and South Carolina, and the Trustee has requested the Company to execute and deliver a supplemental mortgage for the purpose of expressly and specifically subjecting such property to the lien of the Mortgage;