

ARTICLE THREE.

THE TRUSTEE.

SECTION 1. The Trustee hereby accepts the trusts herein declared and provided upon the terms and conditions in the original indenture set forth and upon the terms and conditions hereof, including the following:

The Trustee shall not be responsible in any way whatsoever for or in respect of the validity or sufficiency of this supplemental indenture or the due execution hereof by the Company or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely; nor shall the Trustee be answerable or accountable for anything whatsoever in connection with this supplemental indenture except for its wilful misconduct. In general, each and every term and condition contained in Article 7 of the original indenture shall apply to this supplemental indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and insertions as may be proper to make the same conform to this supplemental indenture.

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 indenture to be signed in its name by its President or a Vice-President and its corporate seal to be hereunto affixed, and the same to be attested by its Secretary or an Assistant Secretary; and 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 indenture to be signed in its name by its President or a Vice-President and its corporate seal to be hereunto affixed and the same to be