

but this provision shall not affect any discretionary power herein given to the Trustee. The Trustee shall be under no obligation or duty to perform any act hereunder or to institute or defend any suit in respect hereof, unless properly indemnified to its satisfaction.

Section 100. Except as herein otherwise provided, any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee on the Company shall be deemed to have been sufficiently given and served, for all purposes, by being deposited postage prepaid in a postoffice letter box, addressed (until another address is filed by the Company with the Trustee) as follows: Carolina Power & Light Company, Raleigh, North Carolina.

Section 101. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, appraisal, report, opinion, bond, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with the opinion of such counsel. The Trustee shall not be under any responsibility for the selection, appointment or approval of any engineer, appraiser, arbitrator or counsel or of any other person or firm for any of the purposes expressed in this Indenture. Except as herein otherwise expressly provided any request, direction or order of the Company mentioned shall be expressed by resolution of its Board of Directors or Executive Committee, and the same shall be evidenced to the Trustee by a copy thereof certified as such by the Secretary or an Assistant Secretary of the Company, and the Trustee may accept such copy as conclusive evidence of the adoption of such resolution and of the facts and statements therein contained.

Section 102. Upon any application for the authentication and delivery of bonds hereunder or for the payment of any moneys held by the Trustee under any provision of this Indenture, or for the execution of any release, or upon any other application to the Trustee hereunder, the resolutions, certificates, statements, opinions, appraisals, reports and orders required by any of the provisions of this Indenture to be delivered to the Trustee as a condition of the granting of such application may be received by the Trustee as conclusive evidence of any fact or matter therein set forth and shall be full warrant, authority and protection to the Trustee acting on the faith thereof, not only in respect of the facts but also in respect of the opinions therein set forth; and before granting any such application the Trustee shall not be bound to make any further investigation into the matter stated in any such resolution, certificate, statement, opinion, appraisal, report or order, but if requested in writing so to do by the holders of not less than twenty per centum (20%) in principal amount of the outstanding bonds and only if furnished with adequate security and indemnity against the costs and expenses of such examination, the Trustee shall make such further investigation as to it may seem proper. If the Trustee shall determine or shall be requested, as aforesaid, to make such further inquiry, it shall be entitled to examine the books, records and premises of the Company, either itself or by agent or attorney; and unless satisfied, with or without such examination, of the truth and accuracy of the matters stated in such resolutions, certificates, statement, opinion, appraisal, report or order, it shall be under no obligation to grant the application. If after such examination or other inquiry the Trustee shall determine to grant the application it shall not be liable for any action taken in good faith. The reasonable expense of every such examination shall be paid by the Company, or if paid by the Trustee shall be repaid by the Company, upon demand, with interest at the rate of six per centum (6%) per annum, and until such repayment shall be secured by a lien on the mortgaged and pledged property and the proceeds thereof prior to the lien of the bonds and coupons issued hereunder.

Section 103. Except as herein otherwise expressly provided the Trustee shall allow and credit to the Company interest on any moneys received by it hereunder at such rate as it allows at the same time upon other deposits of similar character.

Section 104. The Company shall pay to the Trustee from time to time a reasonable compensation for all services rendered hereunder, and also all its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys, agents, and employees, incurred in and about the administration and execution of the trusts hereby created, and the performance of its powers and duties hereunder. In default of such payments by the Company, the Trustee shall have a lien therefor on the mortgaged and pledged property and the proceeds thereof prior to the lien of the bonds and coupons issued hereunder.

Section 105. Whenever in the administration of the trusts of this Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company and delivered to the Trustee, and such certificate shall be full warrant to the Trustee for any action taken or suffered by it under the provisions of this Indenture upon the faith thereof; but in its discretion the Trustee may in lieu thereof accept other evidence of such fact or matter or may require such further or additional evidence as to it may seem reasonable.

Section 106. The Trustee may become the owner of bonds and coupons secured hereby, with the same right it would have if it were not Trustee.

Section 107. The Trustee, or any successor or successors hereafter appointed, or any of them, may at any time resign and be discharged of the trusts hereby created by giving written notice to the Company and thereafter publishing notice thereof, specifying a date when such resignation shall take effect, once a week for three (3) successive calendar weeks in a daily newspaper of general circulation published in the Borough of Manhattan, City of New York, and such resignation shall take effect upon the day specified in such notice unless previously a successor trustee shall have been appointed by the bondholders or the Company as hereinafter provided, and in such event such resignation shall take effect immediately on the appointment of such successor trustee.

Section 108. The Trustee, or any successor or successors hereafter appointed, may be removed at any time by an instrument or concurrent instruments in writing filed by the Trustee, or a successor trustee and signed and acknowledged by the holders of a majority in principal amount of the bonds then outstanding hereunder.

Section 109. In case at any time the Trustee, or any successor or successors hereafter appointed, shall resign, or shall be removed or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver of the Trustee or of any such successor or of its property shall be appointed, or if any public officer shall take charge or control of the Trustee or of any such successor or of its property or affairs, a successor or successors may be appointed by the holders of a majority in principal amount of the bonds then outstanding hereunder, by an instrument or concurrent instruments in writing signed and acknowledged by such bondholders or by their attorneys in fact duly authorized, and delivered to such new trustee, notification thereof being given to the Company, and the predecessor trustee; provided, nevertheless, that until a new trustee shall be appointed by the bondholders as aforesaid, the Company, by instrument executed by order of its Board of Directors and duly acknowledged by its proper officers, may appoint a trustee to fill such vacancy until a new trustee shall be appointed by the bondholders as herein authorized. The Company shall publish notice of any such appointment made by it once in each week for two (2) successive calendar weeks in a daily newspaper of general circulation published in the Borough of Manhattan, City of New York. Any new trustee appointed by the Company shall, immediately and without further act, be superseded by a trustee appointed by the bondholders, as above provided.

If in a proper case no appointment of a successor trustee shall be made pursuant to the foregoing provisions of this Section within six months after a vacancy shall have occurred in the office of trustee, the holder of any bond outstanding hereunder or any retiring trustee may apply to any court of competent jurisdiction to appoint a successor trustee. Said court may thereupon after such notice, if any, as such court may deem proper and prescribe, appoint a successor trustee.

Any trustee appointed under the provisions of this Section in succession to the Trustee shall be a trust company organized under the laws of the State of New York and doing business in the Borough of Manhattan, City of New York, or a national banking association doing business in the Borough of Manhattan, City of New York, having a capital and surplus aggregating at least Five million dollars (\$5,000,000), if there be such a trust company or national banking association willing and able to accept the trust on reasonable and customary terms.

Section 110. At any time or times, for the purpose of conforming to any legal requirements, restrictions or conditions in any state in which any part of the mortgaged and pledged property then subject to this Indenture may be located, the Company and the Trustee shall have power to appoint, and, upon the request of the Trustee the Company shall for such purpose join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint another corporation or one or more persons, approved by the Trustee, either to act as separate trustee or trustees, or co-trustee or co-trustees jointly with the Trustee of all or any of the property subject to the lien hereof. In the event that the Company shall not have joined in such appointment within fifteen days after the receipt by it of a request so to do, the Trustee alone shall have power to make such appointment.

Every separate trustee, every co-trustee and every successor trustee, other than any trustee which may be appointed as successor to Irving Bank-Columbia Trust Company, shall, to the extent permitted by law, be appointed subject to the following provisions and conditions, namely:

(1) The bonds secured hereby shall be authenticated and delivered, and all powers, duties, obligations and rights, conferred upon the Trustee in respect of the custody of all bonds and other securities and of all cash pledged or deposited hereunder, shall be exercised solely by Irving Bank-Columbia Trust Company or its successor in the trust hereunder;