

of Manhattan, The City of New York, designated from time to time by the Board of Directors of the Company.

SECTION 8. The bonds of the 1975 Series and the coupons attached thereto, and the certificate of the Trustee to be endorsed on the bonds, are to be substantially in the forms following, respectively:

[FORM OF COUPON BOND OF THE 1975 SERIES.]

DUKE POWER COMPANY

FIRST AND REFUNDING MORTGAGE BOND,

3% SERIES DUE 1975

Due January 1, 1975

No. GM-

\$1,000

Duke Power Company, a New Jersey corporation (hereinafter called the "Company"), for value received, acknowledges itself indebted and hereby promises to pay to the bearer, or, if this bond be registered as to principal, to the registered owner hereof, on January 1, 1975, One Thousand Dollars, 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 of New York, and to pay interest thereon from January 1, 1955, at the rate of three per cent. per annum, in like coin or currency, at said office or agency, semi-annually on January 1 and July 1 in each year, until the principal hereof becomes due and payable, payable until the maturity of said principal according to the tenor of the respective coupons hereunto attached and only upon presentation and surrender thereof.

This bond is one of the bonds of a series, designated specially as First and Refunding Mortgage Bonds, 3% Series Due 1975, of an authorized issue of bonds of the Company, without limit as to aggregate principal amount, designated generally as First and Refunding Mortgage Bonds, all issued and to be issued under

and equally and ratably secured by an indenture dated as of December 1, 1927, duly executed by the Company to Guaranty Trust Company of New York, as Trustee, as supplemented and modified by indentures supplemental thereto, including supplemental indentures dated as of September 1, 1947, February 1, 1949, April 1, 1951 and September 1, 1953, and a supplemental indenture dated as of January 1, 1955, providing for said series (said indenture as so supplemented and modified being hereinafter referred to as the "Indenture"), to which Indenture reference is made for a description of the property mortgaged, the nature and extent of the security, the rights of the holders of the bonds in respect thereof, the terms and conditions upon which the bonds are secured and the restrictions subject to which additional bonds secured thereby may be issued. To the extent permitted by, and as provided in, the Indenture, modifications or alterations of the Indenture, or of any indenture supplemental thereto, and of the rights and obligations of the Company and of the holders of the bonds and coupons may be made with the consent of the Company by the affirmative vote, or with the written consent, of the holders of not less than 66 2/3% in amount of the bonds then outstanding, and by the affirmative vote, or with the written consent, of the holders of not less than 66 2/3% in amount of the bonds of any series then outstanding and affected by such modification or alteration, in case one or more but less than all of the series of bonds then outstanding under the Indenture are so affected, evidenced, in each case, as provided in the Indenture; provided that any supplemental indenture may be modified in accordance with the provisions contained therein for its modification; and provided, further, that no such modification or alteration shall be made which will affect the terms of payment of the principal of, or interest or premium on, this bond, or the right of any bondholder to institute suit for the enforcement of any such payment on or after the respective due dates expressed in this bond or in the coupons appertaining hereto, or reduce the percentage required for the taking of any such action. Any such affirmative vote of, or written consent given by, any holder of this bond is binding upon all subsequent holders hereof as provided in the Indenture.