

determination, at the beginning and end of such fractional period of a year. The gross book value of the depreciable property acquired from Duke Power Company or any other operating gas utility shall mean the gross book value thereof as shown on the books of Duke Power Company or such other operating gas utility on the date of acquisition by the Company, and shall mean as to any other property, the cost thereof to the Company. Fractions of a calendar month shall be disregarded in making any calculation of minimum depreciation for any period of time.

After all of the Bonds of the 1976 Series, the 1977 Series and the 1981 Series shall have ceased to be outstanding, the term 'minimum provision for depreciation' shall have such meaning as may be provided in an indenture supplemental hereto establishing the terms and provisions of a subsequent series of the Bonds."

SECTION 5.02. The Original Indenture is hereby modified by deleting the third sentence of § 2.01 thereof consisting of the following words and phrases:

"The aggregate principal amount of Bonds which may be executed by the Company and authenticated and delivered by the Trustee and be secured by this Indenture shall be limited in principal amount at any one time outstanding, except as provided in § 2.13 to Twelve Million Dollars (\$12,000,000)."

and inserting in lieu thereof the following sentence:

"The aggregate principal amount of Bonds which may be executed by the Company and authenticated and delivered by the Trustee and be secured by this Indenture shall be unlimited provided the Bonds are authenticated and delivered under the provisions of this Indenture."

SECTION 5.03. The Original Indenture is hereby modified by deleting item (3) of sub-paragraph (c) of § 3.05(B) thereof as heretofore amended and inserting in lieu thereof the following:

"(3) stating, if any Bonds of the 1976 Series, of the 1977 Series or of the 1981 Series shall then be outstanding, that none of the Bonds retired have been retired to satisfy, or through the operation of, the sinking funds for the Bonds of the said Series or any improvement and additions fund,".

SECTION 5.04. The Original Indenture is hereby modified by inserting in § 5.14 thereof as heretofore amended, immediately after the words "Bonds of the 1976 Series or of the 1977 Series", wherever said words appear in said section, the words "or of the 1981 Series".

ARTICLE VI.

PARTICULAR COVENANTS OF THE COMPANY.

SECTION 6.01. The Company hereby covenants that so long as any Bonds of the 1981 Series are outstanding, no Bonds of any other Series, other than Bonds of the 1976 Series and of the 1977 Series (a) shall have a maturity (except serial maturities other than the last serial maturity) earlier than May 1, 1981 or (b) shall be issued if provision is made therein or in any supplemental indenture setting forth the terms thereof for the retirement of Bonds of such other series, either through serial maturities or the operation of any purchase, sinking or analogous fund and such provision for retirement, if complied with, would result in there having been retired, at the date of any retirement of Bonds pursuant to such provisions, a percentage of the total principal amount of Bonds of such other series initially issued larger than the percentage of the total principal amount of Bonds of the 1977 Series outstanding at the date of initial issue of Bonds of such other series required to be retired under the provisions of Section 4.01 of the Second Supplemental Indenture, as amended by the Third Supplemental Indenture, subsequent to said date and on and prior to the date of such retirement.

ARTICLE VII.

MISCELLANEOUS.

SECTION 7.01. The provisions of this Supplemental Indenture shall become effective immediately upon the execution and delivery hereof. This Supplemental Indenture and all the terms and provisions herein contained shall form a part of the Indenture as fully and with the same effect as if all such terms and provisions had been set forth in the Original Indenture. The Original Indenture as modified shall remain and continue in full force and effect in accordance with the terms and provisions thereof, as modified and supplemented hereby.