

pany in the Borough of Manhattan, The City of New York, and to pay interest thereon at said office or agency from the interest payment date next preceding the date hereof to which interest on outstanding bonds of this series has been paid (unless the date hereof is prior to August 1, 1969, in which case from February 1, 1969, and unless the date hereof is a January date subsequent to January 15, or a July date subsequent to July 15, in which case from the next succeeding February 1 or August 1, as the case may be), at the rate of seven per cent. per annum, in like coin or currency, semi-annually on August 1 and February 1 in each year, until the principal hereof shall become due and payable. Such interest payments shall be made by check mailed to the person in whose name this bond is registered at the close of business on the preceding 15th day of January or July, as the case may be (subject to certain exceptions provided in the Indenture hereinafter mentioned), at his address as it shall appear upon the bond register of the Company.

This bond is one of the bonds of a series, designated specially as First and Refunding Mortgage Bonds, 7% Series Due 1999, 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 Duke Power Company, a New Jersey corporation (hereinafter called the "New Jersey Company"), to Guaranty Trust Company of New York (now Morgan 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, January 1, 1955, May 1, 1956, February 1, 1960, February 1, 1962, August 1, 1962, June 15, 1964 (under which the Company succeeded to and was substituted for the New Jersey Company), February 1, 1965, April 1, 1967, February 1, 1968 and February 1, 1969, the latter 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