

such registered owner by reason of his ownership hereof, and paid by him, if application therefor be made within ninety days after payment, as provided in said indenture.

This bond is one of the bonds of the 4½% Series due 1967 of an authorized issue of bonds of the Company, without limit as to aggregate principal amount, designated generally as its First and Refunding Mortgage Gold Bonds, all issued and to be issued under and equally and ratably secured by an indenture dated December 1, 1927, duly executed by the Company to Guaranty Trust Company of New York, as Trustee, to which 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.

In case an event of default as defined in said indenture shall occur, the principal of all the bonds outstanding thereunder may become or be declared due and payable, at the time, in the manner and with the effect provided in said indenture.

The bonds of the 4½% Series due 1967 are subject to redemption prior to maturity at the option of the Company, as a whole at any time, or in part on any interest payment date or dates from time to time, at the office or agency of the Company in the Borough of Manhattan, City and State of New York, upon at least thirty days' prior notice given, as more fully provided in said indenture, by publication at least once a week for at least three successive weeks in a daily newspaper printed in the English language and published and of general circulation in said Borough of Manhattan, at the principal amount thereof with interest accrued thereon to the date fixed for redemption thereof, plus a premium equal to the following percentages of such principal amount, namely: 5% if redeemed prior to December 1, 1932; 4½% if redeemed on or after said date but prior to December 1, 1937; 4% if redeemed on or after said date but prior to December 1, 1949; and the premium then decreasing by ¼% on each anniversary of said date until December 1, 1964, on and after which date the bonds shall be redeemable without premium.

If this bond or any portion hereof (\$1,000 or a multiple thereof) is called for redemption and payment duly provided, this bond or such portion thereof shall cease to bear interest from and after the date fixed for such redemption.

This bond is transferable, as provided in said indenture, by the registered owner hereof in person or by duly authorized attorney, at the office or agency of the Company, in the Borough of Manhattan, The City of New York, upon surrender and cancellation of this bond; thereupon a new registered bond or bonds without coupons of the same series and of like aggregate principal amount will be issued to the transferee in exchange herefor as provided in said indenture, and upon payment, if the Company shall so require, of the transfer charges provided for in said indenture; or the registered owner of this bond, at his option, may surrender the same for cancellation at said office or agency of the Company and receive in exchange herefor the same aggregate principal amount of coupon bonds of the same series of the denomination of \$1,000, upon payment, if the Company shall so require, of the charges provided for in said indenture.

This bond is a corporate obligation only and no recourse whatsoever, either directly or through the Company or any trustee, receiver, assignee or any other person, shall be had for the payment of the principal of or interest on this bond, or for the enforcement of any claim based hereon, or otherwise in respect hereof or of said indenture, against any promoter, subscriber to the capital stock, incorporator, or any past, present or future stockholder, officer or director of the Company, or of any successor or predecessor corporation, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment, penalty, subscription or otherwise, any and all such liability of promoters, subscribers, incorporators, stockholders, officers and directors being waived and released by each successive holder hereof by the acceptance of this bond, and as a part of the consideration for the issue hereof, and being likewise waived and released by the terms of said indenture.

This bond shall not become or be valid or obligatory for any purpose until the Trustee shall have signed the form of certificate endorsed hereon.

IN WITNESS WHEREOF, said DUKE POWER COMPANY has caused this bond to be signed in its name by its President or one of its Vice Presi-

dents, and its corporate seal to be hereto affixed and to be attested by its Secretary or one of its Assistant Secretaries, this

DUKE POWER COMPANY,

by

Attest:

Vice President.

Secretary.

[FORM OF TRUSTEE'S CERTIFICATE FOR ALL BONDS]

This bond is one of the bonds of the series designated therein, described in the within-mentioned indenture.

Trustee,

by

Authorized Officer.

and

WHEREAS the creation, execution and delivery of this Indenture and the mortgage hereby made, and the authentication and delivery hereunder, as provided in §2.01, and issue of bonds of the 4½% Series due 1967 to the aggregate principal amount of \$52,714,000, have been authorized by due corporate action on the part of the Company at meetings of its Board of Directors and stockholders, respectively, duly called and held; and

WHEREAS all other things necessary to make said bonds, when duly authenticated by the Trustee, and issued by the Company, valid, binding and legal obligations of the Company, and to make this Indenture a valid, binding and legal instrument for the security thereof have been done and performed and have happened:

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That the Company, in consideration of the premises and of the acceptance or purchase of the bonds by the holders thereof and of one dollar to it duly paid by the Trustee at or before the ensembling and delivery of this Indenture, the receipt whereof is hereby acknowledged, and in order to secure the payment both of the principal of and interest on all bonds which may from time to time be authenticated and delivered and issued pursuant to the provisions of this Indenture, according to their tenor and effect, and to secure the performance and observance of all the covenants and conditions therein and herein contained, and to declare the terms and conditions upon which the bonds are to be issued, authenticated, secured, received and held, hath granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over, warranted and confirmed, and by this Indenture doth grant, bargain, sell, release, convey, assign, transfer, mortgage, pledge, set over, warrant and confirm, unto the Trustee, and to its successors in the trust hereby created, and to its and their assigns, forever, all the following described properties of the Company—that is to say:

CLAUSE FIRST.

All of the properties and franchises, real, personal and mixed, of every name and nature and wheresoever situated, now owned or at any time or from time to time hereafter acquired or constructed by the Company, other than those hereinafter in this Clause First expressly excepted.

The foregoing general description is intended to and shall (anything in any of the exceptions hereinafter mentioned to the contrary notwithstanding) include the properties and franchises hereinafter in this Clause First more particularly described or referred to, but is not intended to be and shall not be limited thereto or restricted by the specification thereof, namely: