

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934

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Date of Report (Date of earliest event reported): March 12, 2013

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**CAROLINA POWER & LIGHT COMPANY**  
**d/b/a Progress Energy Carolinas, Inc.**  
(Exact Name of Registrant as Specified in its Charter)

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**North Carolina**  
(State or Other Jurisdiction  
of Incorporation)

**001-3382**  
(Commission  
File Number)

**56-0165465**  
(IRS Employer  
Identification No.)

**410 South Wilmington Street, Raleigh, North Carolina 27601-1748**  
(Address of Principal Executive Offices, including Zip Code)

**(704) 382-3853**  
(Registrant's telephone number, including area code)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 8.01. Other Events.**

On March 12, 2013, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. (the “Company”) consummated the issuance and sale of the securities described below pursuant to an underwriting agreement, dated as of March 7, 2013 (the “Underwriting Agreement”), with Barclays Capital Inc., BNP Paribas Securities Corp., Credit Suisse Securities (USA) LLC and RBS Securities Inc., as representatives of the several underwriters named therein (the “Underwriters”), pursuant to which the Company agreed to issue and sell to the Underwriters \$500,000,000 aggregate principal amount of the Company’s First Mortgage Bonds, 4.10% Series due 2043 (the “Mortgage Bonds”). The Mortgage Bonds were sold to the Underwriters at discounts to their principal amounts. The Mortgage Bonds were issued under the Mortgage and Deed of Trust (dated as of May 1, 1940) with The Bank of New York Mellon (formerly Irving Trust Company) (the “Corporate Trustee”) and Tina D. Gonzalez (successor to Frederick G. Herbst) (together with the Corporate Trustee, the “Trustees”), as Trustees, as supplemented from time to time, including by the Eightieth Supplemental Indenture (the “Supplemental Indenture”), dated as of March 1, 2013, between the Company and the Trustees, relating to the Mortgage Bonds (collectively, the “Mortgage”). The disclosure in this Item 8.01 is qualified in its entirety by the provisions of the Mortgage, the Supplemental Indenture, which together with the form of global note evidencing the Mortgage Bonds, is filed as Exhibit 4.1 hereto, and the Underwriting Agreement, which is filed as Exhibit 99.1 hereto. Such exhibits are incorporated herein by reference. Also, in connection with the issuance and sale of the Mortgage Bonds, the Company is filing a legal opinion regarding the validity of the Mortgage Bonds as Exhibit 5.1 to this Form 8-K for the purpose of incorporating the opinion into the Company’s Registration Statement No. 333-179835-02.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits**

<u>Exhibit</u>	<u>Description</u>
Exhibit 4.1	Eightieth Supplemental Indenture dated as of March 1, 2013 between the Company and The Bank of New York Mellon (formerly Irving Trust Company) and Tina D. Gonzalez (successor to Frederick G. Herbst) and form of global note
Exhibit 5.1	Opinion regarding validity of the Mortgage Bonds
Exhibit 23.1	Consent (included as part of Exhibit 5.1)
Exhibit 99.1	Underwriting Agreement, dated as of March 7, 2013, between the Company and Barclays Capital Inc., BNP Paribas Securities Corp., Credit Suisse Securities (USA) LLC and RBS Securities Inc., as representatives of the several underwriters named therein

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**SIGNATURE**

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

**CAROLINA POWER & LIGHT COMPANY**  
**d/b/a Progress Energy Carolinas, Inc.**

Date: March 12, 2013

By: /s/ Robert T. Lucas III, Esq.

Name: Robert T. Lucas III, Esq.

Title: Assistant Secretary

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## EXHIBIT INDEX

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**CAROLINA POWER & LIGHT COMPANY**  
**d/b/a PROGRESS ENERGY CAROLINAS, INC.**

**TO**

**THE BANK OF NEW YORK MELLON**  
**(formerly The Bank of New York (formerly Irving Trust Company))**

**AND**

**TINA D. GONZALEZ**  
**(successor to Frederick G. Herbst, Richard H. West, J.A. Austin, E.J. McCabe,**  
**G. White, D.W. May, J.A. Vaughan, Joseph J. Arney, Wafaa Orfy,**  
**W.T. Cunningham, Douglas J. MacInnes and Ming Ryan)**

*as Trustees under Carolina Power &  
Light Company's Mortgage and Deed  
of Trust, dated as of May 1, 1940*

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Eightieth Supplemental Indenture

Providing among other things for  
First Mortgage Bonds, 4.10% Series due 2043 (Ninety-first Series)

Dated as of March 1, 2013

Prepared by and Return to:  
Robinson, Bradshaw & Hinson, P.A.  
101 North Tryon Street, Suite 1900  
Charlotte, North Carolina 28246

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## EIGHTIETH SUPPLEMENTAL INDENTURE

**INDENTURE**, dated as of March 1, 2013, by and between CAROLINA POWER & LIGHT COMPANY d/b/a PROGRESS ENERGY CAROLINAS, INC., a corporation of the State of North Carolina, whose post office address is 410 South Wilmington Street, Raleigh, North Carolina 27601-1748 (hereinafter sometimes referred to as the “Company”), and THE BANK OF NEW YORK MELLON (formerly The Bank of New York (formerly Irving Trust Company)), a corporation of the State of New York, whose post office address is 101 Barclay Street, New York, New York 10286 (hereinafter sometimes referred to as the “Corporate Trustee”), and TINA D. GONZALEZ (successor to Frederick G. Herbst, Richard H. West, J.A. Austin, E.J. McCabe, G. White, D.W. May, J.A. Vaughan, Joseph J. Arney, Wafaa Orfy, W.T. Cunningham, Douglas J. MacInnes and Ming Ryan), whose post office address is 10161 Centurion Parkway, Jacksonville, Florida 32256 (hereinafter sometimes referred to as the “Individual Trustee”; the Corporate Trustee and the Individual Trustee being hereinafter together sometimes referred to as the “Trustees”), as Trustees under the Mortgage and Deed of Trust, dated as of May 1, 1940 (hereinafter referred to as the “Original Mortgage” and, as supplemented from time to time by the seventy-nine supplemental indentures mentioned below, by this Indenture, and by all other indentures, if any, supplemental to the Original Mortgage, hereinafter referred to as the “Mortgage”), which Original Mortgage was executed and delivered by the Company to Irving Trust Company (now The Bank of New York Mellon) and Frederick G. Herbst to secure the payment of bonds issued or to be issued under and in accordance with the provisions of the Original Mortgage, reference to which Original Mortgage is hereby made, this Indenture (hereinafter sometimes referred to as the “Eightieth Supplemental Indenture”) being supplemental thereto:

WHEREAS, the Original Mortgage was recorded in various Counties in the States of North Carolina and South Carolina; and

WHEREAS, the Original Mortgage was indexed and cross-indexed in the real and chattel mortgage records in various Counties in the States of North Carolina and South Carolina; and

WHEREAS, an instrument, dated as of June 25, 1945, was executed by the Company appointing Richard H. West as Individual Trustee in succession to said Frederick G. Herbst (deceased) under the Original Mortgage, as theretofore supplemented, and by Richard H. West accepting said appointment, which instrument was recorded in various Counties in the States of North Carolina and South Carolina; and

WHEREAS, an instrument, dated as of December 12, 1957, was executed by the Company appointing J.A. Austin as Individual Trustee in succession to said Richard H. West (resigned) under the Original Mortgage, as theretofore supplemented, and by J.A. Austin accepting said appointment, which instrument was recorded in various Counties in the States of North Carolina and South Carolina; and

WHEREAS, an instrument, dated as of April 15, 1966, was executed by the Company appointing E.J. McCabe as Individual Trustee in succession to said J.A. Austin (resigned) under the Original Mortgage, as theretofore supplemented, and by E.J. McCabe accepting said

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appointment, which instrument was recorded in various Counties in the States of North Carolina and South Carolina; and

WHEREAS, by the Seventeenth Supplemental Indenture mentioned below, the Company, among other things, appointed G. White as Individual Trustee in succession to said E.J. McCabe (resigned), and G. White accepted said appointment; and

WHEREAS, by the Nineteenth Supplemental Indenture mentioned below, the Company, among other things, appointed D.W. May as Individual Trustee in succession to said G. White (resigned), and D.W. May accepted said appointment; and

WHEREAS, by the Thirty-fifth Supplemental Indenture mentioned below, the Company, among other things, appointed J.A. Vaughan as Individual Trustee in succession to said D.W. May (resigned), and J.A. Vaughan accepted said appointment; and

WHEREAS, an instrument, dated as of June 27, 1988, was executed by the Company appointing Joseph J. Arney as Individual Trustee in succession to said J.A. Vaughan (resigned) under the Original Mortgage, as theretofore supplemented, and by Joseph J. Arney accepting said appointment, which instrument was recorded in various Counties in the States of North Carolina and South Carolina; and

WHEREAS, by the Forty-fifth Supplemental Indenture mentioned below, the Company, among other things, appointed Wafaa Orfy as Individual Trustee in succession to said Joseph J. Arney (resigned), and Wafaa Orfy accepted said appointment; and

WHEREAS, by the Forty-ninth Supplemental Indenture mentioned below, the Company, among other things, appointed W.T. Cunningham as Individual Trustee in succession to said Wafaa Orfy (resigned), and W.T. Cunningham accepted said appointment; and

WHEREAS, by the Sixty-sixth Supplemental Indenture mentioned below, the Company, among other things, appointed Douglas J. MacInnes as Individual Trustee in succession to said W.T. Cunningham (resigned), and Douglas J. MacInnes accepted said appointment; and

WHEREAS, by the Seventy-sixth Supplemental Indenture mentioned below, the Company, among other things, appointed Ming Ryan as Individual Trustee in succession to said Douglas J. MacInnes (resigned), and Ming Ryan accepted said appointment; and

WHEREAS, by the Seventy-ninth Supplemental Indenture mentioned below, the Company, among other things, appointed Tina D. Gonzalez as Individual Trustee in succession to said Ming Ryan (resigned), and Tina D. Gonzalez accepted said appointment; and

WHEREAS, such instruments were indexed and cross-indexed in the real and chattel mortgage records in various Counties in the States of North Carolina and South Carolina; and

WHEREAS, effective January 1, 2003, the Company began doing business under the name Progress Energy Carolinas, Inc., without changing the legal name of the Company; and certificates of doing business by the Company under such name were recorded in all counties in the State of North Carolina and South Carolina in which this Eightieth Supplemental Indenture is

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to be recorded and were filed and indexed and cross-indexed in the real property records in each of such counties; and

WHEREAS, by the Original Mortgage, the Company covenanted that it would execute and deliver such supplemental indenture or indentures and such further instruments and do such further acts as might be necessary or proper to carry out more effectually the purposes of the Mortgage and to make subject to the lien of the Original Mortgage any property thereafter acquired intended to be subject to the lien thereof; and

WHEREAS, for said purposes, among others, the Company executed and delivered to the Trustees the following supplemental indentures:

<u>Designation</u>	<u>Dated as of</u>
First Supplemental Indenture	January 1, 1949
Second Supplemental Indenture	December 1, 1949
Third Supplemental Indenture	February 1, 1951
Fourth Supplemental Indenture	October 1, 1952
Fifth Supplemental Indenture	March 1, 1958
Sixth Supplemental Indenture	April 1, 1960
Seventh Supplemental Indenture	November 1, 1961
Eighth Supplemental Indenture	July 1, 1964
Ninth Supplemental Indenture	April 1, 1966
Tenth Supplemental Indenture	October 1, 1967
Eleventh Supplemental Indenture	October 1, 1968
Twelfth Supplemental Indenture	January 1, 1970
Thirteenth Supplemental Indenture	August 1, 1970
Fourteenth Supplemental Indenture	January 1, 1971
Fifteenth Supplemental Indenture	October 1, 1971
Sixteenth Supplemental Indenture	May 1, 1972
Seventeenth Supplemental Indenture	May 1, 1973
Eighteenth Supplemental Indenture	November 1, 1973
Nineteenth Supplemental Indenture	May 1, 1974
Twentieth Supplemental Indenture	December 1, 1974
Twenty-first Supplemental Indenture	April 15, 1975
Twenty-second Supplemental Indenture	October 1, 1977
Twenty-third Supplemental Indenture	June 1, 1978
Twenty-fourth Supplemental Indenture	May 15, 1979
Twenty-fifth Supplemental Indenture	November 1, 1979
Twenty-sixth Supplemental Indenture	November 1, 1979
Twenty-seventh Supplemental Indenture	April 1, 1980
Twenty-eighth Supplemental Indenture	October 1, 1980
Twenty-ninth Supplemental Indenture	October 1, 1980
Thirtieth Supplemental Indenture	December 1, 1982
Thirty-first Supplemental Indenture	March 15, 1983
Thirty-second Supplemental Indenture	March 15, 1983
Thirty-third Supplemental Indenture	December 1, 1983



<u>Designation</u>	<u>Dated as of</u>
Thirty-fourth Supplemental Indenture	December 15, 1983
Thirty-fifth Supplemental Indenture	April 1, 1984
Thirty-sixth Supplemental Indenture	June 1, 1984
Thirty-seventh Supplemental Indenture	June 1, 1984
Thirty-eighth Supplemental Indenture	June 1, 1984
Thirty-ninth Supplemental Indenture	April 1, 1985
Fortieth Supplemental Indenture	October 1, 1985
Forty-first Supplemental Indenture	March 1, 1986
Forty-second Supplemental Indenture	July 1, 1986
Forty-third Supplemental Indenture	January 1, 1987
Forty-fourth Supplemental Indenture	December 1, 1987
Forty-fifth Supplemental Indenture	September 1, 1988
Forty-sixth Supplemental Indenture	April 1, 1989
Forty-seventh Supplemental Indenture	August 1, 1989
Forty-eighth Supplemental Indenture	November 15, 1990
Forty-ninth Supplemental Indenture	November 15, 1990
Fiftieth Supplemental Indenture	February 15, 1991
Fifty-first Supplemental Indenture	April 1, 1991
Fifty-second Supplemental Indenture	September 15, 1991
Fifty-third Supplemental Indenture	January 1, 1992
Fifty-fourth Supplemental Indenture	April 15, 1992
Fifty-fifth Supplemental Indenture	July 1, 1992
Fifty-sixth Supplemental Indenture	October 1, 1992
Fifty-seventh Supplemental Indenture	February 1, 1993
Fifty-eighth Supplemental Indenture	March 1, 1993
Fifty-ninth Supplemental Indenture	July 1, 1993
Sixtieth Supplemental Indenture	July 1, 1993
Sixty-first Supplemental Indenture	August 15, 1993
Sixty-second Supplemental Indenture	January 15, 1994
Sixty-third Supplemental Indenture	May 1, 1994
Sixty-fourth Supplemental Indenture	August 15, 1997
Sixty-fifth Supplemental Indenture	April 1, 1998
Sixty-sixth Supplemental Indenture	March 1, 1999
Sixty-seventh Supplemental Indenture	March 1, 2000
Sixty-eighth Supplemental Indenture	April 1, 2000
Sixty-ninth Supplemental Indenture	June 1, 2000
Seventieth Supplemental Indenture	July 1, 2000
Seventy-first Supplemental Indenture	February 1, 2002
Seventy-second Supplemental Indenture	September 1, 2003
Seventy-third Supplemental Indenture	March 1, 2005
Seventy-fourth Supplemental Indenture	November 1, 2005
Seventy-fifth Supplemental Indenture	March 1, 2008
Seventy-sixth Supplemental Indenture	January 1, 2009
Seventy-seventh Supplemental Indenture	June 18, 2009
Seventy-eighth Supplemental Indenture	September 1, 2011

Seventy-ninth Supplemental Indenture

May 1, 2012

which supplemental indentures (other than said Sixty-fifth Supplemental Indenture and said Sixty-seventh Supplemental Indenture) were recorded in various Counties in the States of North Carolina and South Carolina, and were indexed and cross-indexed in the real and chattel mortgage or security interest records in various Counties in the States of North Carolina and South Carolina; and

WHEREAS, no recording or filing of said Sixty-fifth Supplemental Indenture in any manner or place is required by law in order to fully preserve and protect the security of the bondholders and all rights of the Trustees or is necessary to make effective the lien intended to be created by the Original Mortgage or said Sixty-fifth Supplemental Indenture; and said Sixty-seventh Supplemental Indenture was recorded only in Rowan County, North Carolina to make subject to the lien of the Mortgage certain property of the Company located in said County intended to be subject to the lien of the Original Mortgage, all in accordance with Section 42 of the Mortgage; and

WHEREAS, the Original Mortgage and said First through Seventy-ninth Supplemental Indentures (other than said Sixty-fifth and said Sixty-seventh Supplemental Indentures) were or are to be recorded in all Counties in the States of North Carolina and South Carolina in which this Eightieth Supplemental Indenture is to be recorded; and

WHEREAS, in addition to the property described in the Original Mortgage, as heretofore supplemented, the Company has acquired certain other property, rights and interests in property; and

WHEREAS, the Company has heretofore issued, in accordance with the provisions of the Original Mortgage, as from time to time then supplemented, the following series of First Mortgage Bonds:

<u>Series</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Outstanding</u>
3-3/4% Series due 1965	\$ 46,000,000	None
3-1/8% Series due 1979	20,100,000	None
3-1/4% Series due 1979	43,930,000	None
2-7/8% Series due 1981	15,000,000	None
3-1/2% Series due 1982	20,000,000	None
4-1/8% Series due 1988	20,000,000	None
4-7/8% Series due 1990	25,000,000	None
4-1/2% Series due 1991	25,000,000	None
4-1/2% Series due 1994	30,000,000	None
5-1/8% Series due 1996	30,000,000	None
6-3/8% Series due 1997	40,000,000	None
6-7/8% Series due 1998	40,000,000	None

<u>Series</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Outstanding</u>
8-3/4% Series due 2000	40,000,000	None
8-3/4% Series due August 1, 2000	50,000,000	None
7-3/8% Series due 2001	65,000,000	None
7-3/4% Series due October 1, 2001	70,000,000	None
7-3/4% Series due 2002	100,000,000	None
7-3/4% Series due 2003	100,000,000	None
8-1/8% Series due November 1, 2003	100,000,000	None
9-3/4% Series due 2004	125,000,000	None
11-1/8% Series due 1994	50,000,000	None
11% Series due April 15, 1984	100,000,000	None
8-1/2% Series due October 1, 2007	100,000,000	None
9-1/4% Series due June 1, 2008	100,000,000	None
10-1/2% Series due May 15, 2009	125,000,000	None
12-1/4% Series due November 1, 2009	100,000,000	None
Pollution Control Series A	63,000,000	None
14-1/8% Series due April 1, 1987	125,000,000	None
Pollution Control Series B	50,000,000	None
Pollution Control Series C	6,000,000	None
11-5/8% Series due December 1, 1992	100,000,000	None
Pollution Control Series D	48,485,000	None
Pollution Control Series E	5,970,000	None
12-7/8% Series due December 1, 2013	100,000,000	None
Pollution Control Series F	34,700,000	None
13-3/8% Series due April 1, 1994	100,000,000	None
Pollution Control Series G	122,615,000	None
Pollution Control Series H	70,000,000	None
Pollution Control Series I	70,000,000	None
Pollution Control Series J	6,385,000	None
Pollution Control Series K	2,580,000	None
Extendible Series due April 1, 1995	125,000,000	None
11-3/4% Series due October 1, 2015	100,000,000	None
8-7/8% Series due March 1, 2016	100,000,000	None
8-1/8% Series due July 1, 1996	125,000,000	None
8-1/2% Series due January 1, 2017	100,000,000	None
9.174% Series due December 1, 1992	100,000,000	None
9% Series due September 1, 1993	100,000,000	None
9.60% Series due April 1, 1991	100,000,000	None
Secured Medium-Term Notes, Series A	200,000,000	None
8-1/8% Series due November 15, 1993	100,000,000	None
Secured Medium-Term Notes, Series B	100,000,000	None
8-7/8% Series due February 15, 2021	125,000,000	None
9% Series due April 1, 2022	100,000,000	None
8-5/8% Series due September 15, 2021	100,000,000	\$ 100,000,000

<u>Series</u>	<u>Principal Amount Issued</u>	<u>Principal Amount Outstanding</u>
5.20% Series due January 1, 1995	125,000,000	None
7-7/8% Series due April 15, 2004	150,000,000	None
8.20% Series due July 1, 2022	150,000,000	None
6-3/4% Series due October 1, 2002	100,000,000	None
6-1/8% Series due February 1, 2000	150,000,000	None
7-1/2% Series due March 1, 2023	150,000,000	None
5-3/8% Series due July 1, 1998	100,000,000	None
Secured Medium-Term Notes, Series C	200,000,000	None
6-7/8% Series due August 15, 2023	100,000,000	None
5-7/8% Series due January 15, 2004	150,000,000	None
Pollution Control Series L	72,600,000	72,600,000
Pollution Control Series M	50,000,000	50,000,000
6.80% Series due August 15, 2007	200,000,000	None
5.95% Senior Note Series due March 1, 2009	400,000,000	None
7.50% Senior Note Series due April 1, 2005	300,000,000	None
Pollution Control Series N	67,300,000	67,300,000
Pollution Control Series O	55,640,000	55,640,000
Pollution Control Series P	50,000,000	50,000,000
Pollution Control Series Q	50,000,000	50,000,000
Pollution Control Series R	45,600,000	45,600,000
Pollution Control Series S	41,700,000	41,700,000
Pollution Control Series T	50,000,000	50,000,000
Pollution Control Series U	50,000,000	50,000,000
Pollution Control Series V	87,400,000	87,400,000
Pollution Control Series W	48,485,000	48,485,000
5.125% Series due 2013	400,000,000	400,000,000
6.125% Series due 2033	200,000,000	200,000,000
5.15% Series due 2015	300,000,000	300,000,000
5.70% Series due 2035	200,000,000	200,000,000
5.25% Series due 2015	400,000,000	400,000,000
6.30% Series due 2038	325,000,000	325,000,000
5.30% Series due 2019	600,000,000	600,000,000
3.00% Series due 2021	500,000,000	500,000,000
2.80% Series due 2022	500,000,000	500,000,000
4.10% Series due 2042	500,000,000	500,000,000

which bonds are herein sometimes referred to as bonds of the First through Ninetieth Series, respectively; and

WHEREAS, Section 8 of the Original Mortgage, as heretofore supplemented, provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company and that the form of such series, as established by said Board

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of Directors, shall specify the descriptive title of the bonds and various other terms thereof, and may also contain such provisions not inconsistent with the provisions of the Mortgage as said Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS, Section 120 of the Original Mortgage, as heretofore supplemented, provides, among other things, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Mortgage, whether such power, privilege or right is in any way restricted or is unrestricted, may be in whole or in part waived or surrendered or subjected to any restriction if at the time unrestricted or to additional restriction if already restricted, and the Company may enter into any further covenants, limitations or restrictions for the benefit of any one or more series of bonds issued thereunder, or the Company may cure any ambiguity contained therein, or in any supplemental indenture, or may establish the terms and provisions of any series of bonds other than said First Series, by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all of the states in which any property at the time subject to the lien of the Mortgage shall be situated; and

WHEREAS, the Company now desires to create a new series of bonds and to add to its covenants and agreements contained in the Original Mortgage, as heretofore supplemented, certain other covenants and agreements to be observed by it; and

WHEREAS, the execution and delivery by the Company of this Eightieth Supplemental Indenture, and the terms of the bonds of the Ninety-first Series, hereinafter referred to, have been duly authorized by the Board of Directors of the Company by appropriate resolutions of said Board of Directors;

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

That the Company, in consideration of the premises and of One Dollar to it duly paid by the Trustees at or before the enrolling and delivery of these presents, the receipt whereof is hereby acknowledged, and in further evidence of assurance of the estate, title and rights of the Trustees and in order further to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued under the Mortgage, according to their tenor and effect and the performance of all the provisions of the Original Mortgage (including any instruments supplemental thereto and any modification made as in the Mortgage provided) and of said bonds, hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms (subject, however, to Excepted Encumbrances as defined in Section 6 of the Original Mortgage, as heretofore supplemented) unto The Bank of New York Mellon and Tina D. Gonzalez, as Trustees under the Mortgage, and to their successor or successors in said trust, and to said Trustees and their successors and assigns forever, all the following described properties of the Company:

All electric generating plants, stations, transmission lines, and electric distribution systems, including permanent improvements, extensions or additions to or about such electrical plants, stations, transmission lines and distribution systems of the

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Company; all dams, power houses, power sites, buildings, generators, reservoirs, pipe lines, flumes, structures and works; all substations, transformers, switchboards, towers, poles, wires, insulators, and other appliances and equipment, and the Company's rights or interests in the land upon which the same are situated, and all other property, real or personal, forming a part of or appertaining to, or used, occupied or enjoyed in connection with said generating plants, stations, transmission lines, and distribution systems; together with all rights of way, easements, permits, privileges, franchises and rights for or related to the construction, maintenance, or operation thereof, through, over, under or upon any public streets or highways, or the public lands of the United States, or of any State or other lands; and all water appropriations and water rights, permits and privileges; including all property, real, personal, and mixed, acquired by the Company after the date of the execution and delivery of the Original Mortgage, in addition to property covered by the above-mentioned supplemental indentures (except any herein or in the Original Mortgage, as heretofore supplemented, expressly excepted), now owned or, subject to the provisions of Section 87 of the Mortgage, hereafter acquired by the Company and wheresoever situated, including (without in anywise limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in this Eightieth Supplemental Indenture) all lands, power sites, flowage rights, water rights, flumes, raceways, dams, rights of way and roads; all steam and power houses, gas plants, street lighting systems, standards and other equipment incidental thereto, telephone, radio and television systems, air-conditioning systems and equipment incidental thereto, water works, steam heat and hot water plants, lines, service and supply systems, bridges, culverts, tracks, ice or refrigeration plants and equipment, street and interurban railway systems, offices, buildings and other structures and the equipment thereof; all machinery, engines, boilers, dynamos, electric and gas machines, regulators, meters, transformers, generators, motors, electrical, gas and mechanical appliances, conduits, cables, water, steam, heat, gas or other pipes, gas mains and pipes, service pipes, fittings, valves and connections, pole and transmission lines, wires, cables, tools, implements, apparatus, furniture, chattels and choses in action; all municipal and other franchises, consents or permits; all lines for the transmission and distribution of electric current, gas, steam heat or water for any purpose including poles, wires, cables, pipes, conduits, ducts and all apparatus for use in connection therewith; all real estate, lands, easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to real estate or the occupancy of the same and (except as herein or in the Original Mortgage, as heretofore supplemented, expressly excepted) all the right, title and interest of the Company in and to all other property of any kind or nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore or in the Original Mortgage, as heretofore supplemented, described.

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Original Mortgage, as heretofore supplemented) the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

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IT IS HEREBY AGREED by the Company that, subject to the provisions of Section 87 of the Original Mortgage, as heretofore supplemented, all the property, rights, and franchises acquired by the Company after the date hereof (except any herein or in the Mortgage, as heretofore supplemented, expressly excepted) shall be and are as fully granted and conveyed hereby and as fully embraced within the lien hereof and the lien of the Original Mortgage as if such property, rights and franchises were now owned by the Company and were specifically described herein and conveyed hereby.

PROVIDED THAT the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this Eightieth Supplemental Indenture and from the lien and operation of the Mortgage, namely: (1) cash, shares of stock and obligations (including bonds, notes and other securities) not hereafter specifically pledged, paid, deposited or delivered under the Mortgage or covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business and fuel, oil and similar materials and supplies consumable in the operation of any properties of the Company; rolling stock, buses, motor coaches, vehicles and automobiles; (3) bills, notes and accounts receivable, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or this Eightieth Supplemental Indenture or covenanted so to be; (4) electric energy and other materials or products generated, manufactured, produced or purchased by the Company for sale, distribution or use in the ordinary course of its business; (5) any property which does not constitute Property Additions, Funded Property or Funded Cash (each as defined in the Original Mortgage as supplemented) and (6) any property and rights heretofore released from the lien of the Original Mortgage, as heretofore supplemented; provided, however, that the property and rights expressly excepted from the lien and operation of the Original Mortgage, as heretofore supplemented, and this Eightieth Supplemental Indenture in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XII of the Mortgage by reason of the occurrence of a Default as defined in said Article XII.

TO HAVE AND TO HOLD all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto the Trustees, their successors and assigns forever.

IN TRUST NEVERTHELESS, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Original Mortgage, as heretofore supplemented, this Eightieth Supplemental Indenture being supplemental to the Original Mortgage.

AND IT IS HEREBY COVENANTED by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage, as heretofore supplemented, shall affect and apply to the property hereinbefore described and conveyed and to the estate, rights, obligations and duties of the Company and the Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors as Trustees of said property in

the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Original Mortgage and had been specifically and at length described in and conveyed to the Trustees by the Original Mortgage as a part of the property therein stated to be conveyed.

The Company further covenants and agrees to and with the Trustees and their successor or successors in such trust under the Mortgage as follows:

## ARTICLE I

### NINETY-FIRST SERIES OF BONDS

SECTION 1. (A) There shall be a series of bonds designated "4.10% Series due 2043" (herein sometimes referred to as the "Ninety-first Series"), each of which shall also bear the descriptive title "First Mortgage Bond", and the form thereof, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Ninety-first Series shall be initially issued in the aggregate principal amount of \$500,000,000, mature on March 15, 2043, bear interest at the rate of 4.10% per annum, payable from March 12, 2013, if the date of said bonds is on or prior to September 15, 2013, or, if the date of said bonds is after September 15, 2013, from the March 15 or September 15 next preceding the date of said bonds, and thereafter semi-annually on March 15 and September 15 of each year, be issued as fully registered bonds in the denominations of Two Thousand Dollars and in any integral multiple of One Thousand Dollars in excess thereof and be dated as in Section 10 of the Mortgage provided, the principal of and interest on each said bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts.

Interest on bonds of the Ninety-first Series will be computed on the basis of a 360-day year comprised of twelve 30-day months. If a due date for the payment of interest, principal or any Redemption Price (as defined below), falls on a day that is not a business day, then the payment will be made on the next succeeding business day, and no interest will accrue on the amounts payable for the period from and after the original due date and until the next business day. The term "business day" means any day other than a Saturday or Sunday or day on which banking institutions in The City of New York are required or authorized to close.

(B) At any time on or after September 15, 2042, the bonds of the Ninety-first Series shall be redeemable at the option of the Company, or with the Proceeds of Released Property (as contemplated by clause (4) of Section 61 of the Mortgage), in whole or in part and from time to time, prior to maturity, upon notice as provided in Sections 52 and 54 of the Mortgage (given by mail not less than 30 days and not more than 90 days prior to the date fixed for redemption), at a redemption price equal to 100% of the principal amount of the bonds then Outstanding to be redeemed, plus in each case accrued but unpaid interest on such principal amount to such date fixed for redemption. At any time prior to September 15, 2042, the bonds of the Ninety-first Series shall be redeemable at the option of the Company, or with the Proceeds of Released Property (as contemplated by clause (4) of Section 61 of the Mortgage), in whole or in part and from time to time, upon notice as provided in Sections 52 and 54 of the Mortgage (given by mail



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not less than 30 days and not more than 90 days prior to the date fixed for redemption (together with the date fixed for redemption referred to in the preceding sentence, each a “Redemption Date”), at a redemption price (hereinafter sometimes referred to as the “Make-Whole Redemption Price” and, together with the redemption price referred to in the preceding sentence, each a “Redemption Price”) equal to the greater of (i) 100% of the principal amount of the bonds then Outstanding to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on such bonds from such Redemption Date to the maturity date, computed by discounting such payments, in each case, to such Redemption Date on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined below) plus 15 basis points, plus in either case accrued but unpaid interest on such principal amount to such Redemption Date. On and after any Redemption Date, if sufficient cash shall have been deposited with the Corporate Trustee (and/or if the Company has irrevocably directed the Corporate Trustee to apply, from moneys held by it available to be used for the redemption of bonds, sufficient cash) to redeem all of the bonds of the Ninety-first Series called for redemption, interest on the bonds of the Ninety-first Series, or the portions of them so called for redemption, shall cease to accrue.

“Treasury Rate” means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity or interpolated maturity (on a day count basis) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

“Comparable Treasury Issue” means the United States Treasury security selected by the Quotation Agent as having an actual or interpolated maturity comparable to the remaining term of the bonds of the Ninety-first Series to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of a comparable maturity to the remaining term of such bonds of the Ninety-first Series.

“Comparable Treasury Price” means, with respect to any Redemption Date, (A) the average of the Reference Treasury Dealer Quotations for such Redemption Date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (B) if the Quotation Agent obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

“Quotation Agent” means one of the Reference Treasury Dealers appointed by the Company.

“Reference Treasury Dealer” means each of Barclays Capital Inc., BNP Paribas Securities Corp., Credit Suisse Securities (USA) LLC and RBS Securities Inc., plus one other financial institution appointed by the Company at the time of any redemption, or their respective affiliates or successors, each of which is a primary U.S. Government securities dealer in the United States (a “Primary Treasury Dealer”); provided, however, that if any of the foregoing or their affiliates or successors shall cease to be a Primary Treasury Dealer, the Company shall substitute therefor another Primary Treasury Dealer.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury

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Dealer and any Redemption Date, the average, as determined by the Quotation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Quotation Agent by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such Redemption Date.

In case of a redemption of only a part of the bonds of the Ninety-first Series, absent any written agreement of the registered holders of all of the bonds of the Ninety-first Series satisfactory to the Corporate Trustee specifying the particular bonds of the Ninety-first Series to be redeemed, the Corporate Trustee shall draw by lot, according to such method as it shall deem proper in its discretion, the particular bonds of the Ninety-first Series, or portions of them, to be redeemed.

In case of any bonds of the Ninety-first Series called for redemption in whole or in part prior to September 15, 2042, the Company shall deliver to the Corporate Trustee promptly upon its calculation thereof, but in any event prior to the related Redemption Date, a Treasurer's Certificate setting forth its calculation of the Make-Whole Redemption Price applicable to such redemption. The Corporate Trustee shall be under no duty to inquire into, may conclusively presume the correctness of, and shall be fully protected in relying upon the Company's calculation of any Make-Whole Redemption Price of the bonds of the Ninety-first Series.

In lieu of stating any Make-Whole Redemption Price, notices of redemption of the bonds of the Ninety-first Series called for redemption in whole or in part shall state substantially the following: "The redemption price of the bonds to be redeemed shall equal the greater of (i) 100% of the principal amount of the bonds then Outstanding to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest thereon from the Redemption Date to the maturity date, computed by discounting such payments, in each case, to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in the Eightieth Supplemental Indenture) plus 15 basis points, plus in each case accrued but unpaid interest on the principal amount thereof called for redemption to the Redemption Date."

Except as provided herein, Article X of the Mortgage shall apply to redemptions of bonds of the Ninety-first Series.

(C) Subject to the provisions set forth below with respect to Ninety-first series Global Bonds, at the option of the registered owner, any bonds of the Ninety-first Series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, shall be exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations. The bonds of the Ninety-first Series may bear such legends as may be necessary to comply with any law or with any rules or regulations made pursuant thereto or with the rules or regulations of any stock exchange or to conform to usage or agreement with respect thereto.

Subject to the provisions set forth below with respect to Ninety-first Series Global Bonds, bonds of the Ninety-first Series shall be transferable upon the surrender thereof for cancellation, together with a written instrument of transfer in form approved by the registrar duly executed by the registered owner or by his duly authorized attorney, at the office or agency of the Company in the Borough of Manhattan, The City of New York.

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Upon any exchange or transfer of bonds of the Ninety-first Series, the Company may make a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge required to be paid by the Company, as provided in Section 12 of the Mortgage, but the Company hereby waives any right to make a charge in addition thereto for any exchange or transfer of bonds of said Series.

(C) The bonds of the Ninety-first Series shall be issued in registered form without coupons and shall be issued initially in the form of one or more global bonds (each such global bond hereinafter sometimes referred to as a “Ninety-first Series Global Bond”) to or on behalf of The Depository Trust Company (hereinafter sometimes referred to as “DTC”), as depository therefor, and registered in the name of such depository or its nominee. Any bonds of the Ninety-first Series to be issued or transferred to, or to be held by or on behalf of DTC as such depository or such nominee (or any successor of such depository or nominee) for such purpose shall bear the depository legends as required or otherwise agreed to by the Corporate Trustee and the Company, and in the case of a successor depository, such legend or legends as such depository and/or the Company shall require and to which each shall agree, in each case such agreement to be confirmed in writing to the Corporate Trustee. Notwithstanding any other provision in this Eightieth Supplemental Indenture, payment of interest on the bonds of the Ninety-first Series may be made at the option of the Company by check mailed to the registered holders thereof at their registered address, and, with respect to a Ninety-first Series Global Bond, the Company may make payments of principal of, any Redemption Price and interest on such Ninety-first Series Global Bond pursuant to and in accordance with such arrangements as are agreed upon by the Company and the depository for such Ninety-first Series Global Bond.

Except under the limited circumstances described below, bonds of the Ninety-first Series represented by a Ninety-first Series Global Bond or Bonds shall not be exchangeable for, and shall not otherwise be issuable as, bonds of the Ninety-first Series in definitive form. The Ninety-first Series Global Bond or Bonds described in this Section 1(D) may not be transferred except by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or to a successor depository or its nominee.

A Ninety-first Series Global Bond shall be exchangeable for bonds of the Ninety-first Series registered in the names of persons other than the depository or its nominee only if (i) the depository notifies the Company that it is unwilling or unable to continue as a depository for such Ninety-first Global Bond and no successor depository shall have been appointed by the Company within 90 days of receipt by the Company of such notification, or if at any time the depository ceases to be a clearing agency registered under the Securities Exchange Act of 1934, as amended, at a time when the depository is required to be so registered to act as such depository and no successor depository shall have been appointed by the Company within 90 days after it becomes aware of such cessation, (ii) a Default has occurred and is continuing with respect to the bonds of the Ninety-first Series or (iii) the Company in its sole discretion, and subject to the procedures of the depository, determines that such Ninety-first Global Bond shall be so exchangeable. Any Ninety-first Series Global Bond that is exchangeable pursuant to the preceding sentence shall be exchangeable for bonds of the Ninety-first Series registered in such names as the depository shall direct.

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In any exchange provided in the preceding paragraph the Company shall execute, and the Corporate Trustee, upon receipt of a Company request for the authentication and delivery of bonds of the Ninety-first Series in the form of definitive certificates in exchange in whole or in part for such Ninety-first Series Global Bond or Bonds, shall authenticate and deliver, without service charge, to each person specified by the depositary, bonds of the Ninety-first Series in the form of definitive certificates of like tenor and terms in an aggregate principal amount equal to the principal amount of such Ninety-first Series Global Bond or the aggregate principal amount of such Ninety-first Series Global Bonds in exchange for such Ninety-first Series Global Bond or Bonds. Upon the exchange of the entire principal amount of a Ninety-first Series Global Bond for bonds of the Ninety-first Series in the form of definitive certificates, such Ninety-first Series Global Bond shall be canceled by the Corporate Trustee. Bonds of the Ninety-first Series issued in exchange for a Ninety-first Series Global Bond shall be registered in such names and in such authorized denominations as the depositary for such Ninety-first Series Global Bond, acting pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Corporate Trustee. Provided that the Company and the Corporate Trustee have so agreed, the Corporate Trustee shall deliver such bonds of the Ninety-first Series to the persons in whose names the bonds of the Ninety-first Series are so to be registered.

Any endorsement of a Ninety-first Series Global Bond to reflect the principal amount thereof, or any increase or decrease in such principal amount, shall be made in such manner and by such person or persons as shall be specified in or pursuant to any applicable letter of representations or other arrangement entered into with, or procedures of, the depositary with respect to such Ninety-first Series Global Bond or in a Company request. Subject to the terms of the Mortgage, the Corporate Trustee shall deliver and redeliver any such Ninety-first Series Global Bond in the manner and upon instructions given by the person or persons specified in or pursuant to any applicable letter of representations or other arrangement entered into with, or procedures of, the depositary with respect to such Ninety-first Series Global Bond or in any applicable Company request. If a Company request is so delivered, any instructions by the Company with respect to such Ninety-first Series Global Bond contained therein shall be in writing but need not be accompanied by or contained in a Treasurer's Certificate and need not be accompanied by an opinion of counsel.

The depositary or, if there be one, its nominee, shall be the holder of a Ninety-first Series Global Bond for all purposes under the Mortgage and the bonds of the Ninety-first Series and beneficial owners with respect to such Ninety-first Series Global Bond shall hold their interests pursuant to applicable procedures of such depositary. The Company, the Corporate Trustee, any bond registrar, any paying agent and any other agent of the Company or the Corporate Trustee shall be entitled to deal with such depositary for all purposes of the Mortgage relating to such Ninety-first Series Global Bond (including the payment of principal, the Redemption Price, if applicable, and interest and the giving of instructions or directions by or to the beneficial owners of such Ninety-first Series Global Bond as the sole holder of such Ninety-first Series Global Bond and shall have no obligations to the beneficial owners thereof (including any direct or indirect participants in such depositary)). None of the Company, the Corporate Trustee, any paying agent, any bond registrar or any other agent of the Company or the Corporate Trustee shall have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a beneficial owner in or pursuant to any applicable letter of representations or other arrangement or transaction entered into with, or

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procedures of, the depositary with respect to such Ninety-first Series Global Bond or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests, or for any acts or omissions of a depositary.

## ARTICLE II

### DIVIDEND COVENANT

SECTION 2. The Company covenants and agrees that, so long as any of the bonds of the Ninety-first Series remain Outstanding, the Company will not declare or pay any dividends upon its common stock (other than dividends in common stock) or make any other distributions on its common stock or purchase or otherwise retire any shares of its common stock, unless immediately after such declaration, payment, purchase, retirement or distribution (hereinafter in this Section referred to as "Restricted Payments"), and giving effect thereto, the amount arrived at by adding

(a) the aggregate amount of all such Restricted Payments (other than the dividend of fifty cents (\$.50) per share declared on December 8, 1948 and paid on February 1, 1949 to holders of common stock) made by the Company during the period from December 31, 1948, to and including the effective date of the Restricted Payment in respect of which the determination is being made, plus

(b) an amount equal to the aggregate amount of cumulative dividends for such period (whether or not paid) on all preferred stock of the Company from time to time outstanding during such period, at the rate or rates borne by such preferred stock, plus

(c) an amount equal to the amount, if any, by which fifteen per centum (15%) of the Gross Operating Revenues of the Company for such period shall exceed the aggregate amount during such period expended and/or accrued on its books for maintenance and/or appropriated on its books out of income for property retirement, in each case in respect of the Mortgaged and Pledged Property and/or automotive equipment used primarily in the electric utility business of the Company (but excluding any provisions for amortization of any amounts included in utility plant acquisition adjustment accounts or utility plant adjustment accounts),

will not exceed the amount of the aggregate net income of the Company for said period available for dividends (computed and ascertained in accordance with sound accounting practice, on a cumulative basis, including the making of proper deductions for any deficits occurring during any part of such period), plus \$3,000,000.

The Company further covenants and agrees that not later than May 1 of each year beginning with the year 2013 it will furnish to the Corporate Trustee a Treasurer's Certificate stating whether or not the Company has fully observed the restrictions imposed upon it by the covenant contained in this Section 2.

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## ARTICLE III

### CERTAIN PROVISIONS WITH RESPECT TO FUTURE ADVANCES

SECTION 3. Upon the filing of this Eightieth Supplemental Indenture for record in all counties in which the Mortgaged and Pledged Property is located, and until a further indenture or indentures supplemental to the Mortgage shall be executed and delivered by the Company to the Trustees pursuant to authorization by the Board of Directors of the Company and filed for record in all counties in which the Mortgaged and Pledged Property is located further increasing or decreasing the amount of future advances which may be secured by the Mortgage, the Mortgage may secure future advances and other indebtedness and sums not to exceed in the aggregate \$2,500,000,000, in addition to \$5,193,725,000 in aggregate principal amount of bonds to be Outstanding at the time of such filing, and all such advances and other indebtedness and sums shall be secured by the Mortgage, equally, to the same extent and with the same priority, as the amount originally advanced on the security of the Original Mortgage, namely, \$46,000,000, and such advances and other indebtedness and sums may be made or become owing and may be repaid and again made or become owing and the amount so stated shall be considered only as the total amount of such advances and other indebtedness and sums as may be outstanding at one time.

## ARTICLE IV

### MISCELLANEOUS PROVISIONS

SECTION 4. Subject to any amendments provided for in this Eightieth Supplemental Indenture, the terms defined in the Original Mortgage, as heretofore supplemented, shall, for all purposes of this Eightieth Supplemental Indenture, have the meanings specified in the Original Mortgage, as heretofore supplemented.

SECTION 5. The Trustees hereby accept the trusts herein declared, provided, created or supplemented and agree to perform the same upon the terms and conditions herein and in the Original Mortgage, as heretofore supplemented, set forth and upon the following terms and conditions:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Eightieth Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general each and every term and condition contained in Article XVI of the Original Mortgage, as heretofore supplemented, shall apply to and form part of this Eightieth Supplemental Indenture with the same force and effect as if the same were herein set forth in full with such omissions, variations and insertions, if any, as may be appropriate to make the same conform to the provisions of this Eightieth Supplemental Indenture.

SECTION 6. Subject to the provisions of Article XV and Article XVI of the Mortgage, whenever in this Eightieth Supplemental Indenture either of the parties hereto is named or referred to, this shall be deemed to include the successors or assigns of such party, and all the covenants and agreements in this Eightieth Supplemental Indenture contained by or on behalf of

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the Company or by or on behalf of the Trustees shall bind and inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

SECTION 7. Nothing in this Eightieth Supplemental Indenture, expressed or implied, is intended, or shall be construed, to confer upon, or to give to, any person, firm or corporation, other than the parties hereto and the holders of the Outstanding bonds and coupons, any right, remedy or claim under or by reason of this Eightieth Supplemental Indenture or any covenant, condition, stipulation, promise or agreement hereof, and all the covenants, conditions, stipulations, promises and agreements in this Eightieth Supplemental Indenture contained by or on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the Outstanding bonds and coupons.

SECTION 8. This Eightieth Supplemental Indenture shall be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[SIGNATURES ON THE FOLLOWING PAGES]

The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. **THE COMPANY HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS, WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.**

IN WITNESS WHEREOF, Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by its President or one of its Vice Presidents or its Treasurer and its corporate seal to be attested by its Secretary or one of its Assistant Secretaries, and The Bank of New York Mellon has caused its corporate name to be hereunto affixed, and this instrument to be signed and sealed by one of its Vice Presidents, Senior Associates or Associates and its corporate seal to be attested by one of its Vice Presidents, Senior Associates or Associates, and Tina D. Gonzalez has hereunto set her hand and seal, all as of the day and year first above written.

CAROLINA POWER & LIGHT COMPANY d/b/a PROGRESS ENERGY  
CAROLINAS, INC.

By: /s/ Stephen G. De May  
Stephen G. De May  
Vice President and Treasurer

Executed, sealed and delivered by CAROLINA POWER & LIGHT  
COMPANY  
d/b/a PROGRESS ENERGY CAROLINAS, INC. by Stephen G. De  
May, one of its Vice Presidents, and attested by Robert T. Lucas III, one  
of its Assistant Secretaries, in the presence of:

ATTEST:

/s/ Robert T. Lucas III  
Robert T. Lucas III  
Assistant Secretary

/s/ Delcia S. Dunlap  
Delcia S. Dunlap

/s/ Jacqueline Williams  
Jacqueline Williams

[COMPANY'S SIGNATURE PAGE]

[EIGHTIETH SUPPLEMENTAL INDENTURE DATED AS OF MARCH 1, 2013  
TO THE CAROLINA POWER & LIGHT COMPANY MORTGAGE AND DEED OF TRUST  
DATED AS OF MAY 1, 1940]



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THE BANK OF NEW YORK MELLON,  
*as Trustee*

By: /s/ Laurence J. O'Brien  
Laurence J. O'Brien  
Vice President

Executed, sealed and delivered  
by THE BANK OF NEW YORK  
MELLON, as Trustee, by Laurence J. O'Brien,  
one of its Vice Presidents,  
and attested by Latoya S. Elvin,  
one of its Vice Presidents, in the  
presence of:

ATTEST:

/s/ Latoya S. Elvin  
Latoya S. Elvin  
Vice President

/s/ Christopher J. Ryan  
Christopher J. Ryan

/s/ Thomas Hacker  
Thomas Hacker

/s/ Tina D. Gonzalez  
TINA D. GONZALEZ, *as Trustee*

Executed, sealed and delivered by TINA D. GONZALEZ, as Trustee,  
in the presence of:

/s/ Geraldine Creswell  
Geraldine Creswell

/s/ Christie Leppert  
Christie Leppert

[TRUSTEES' SIGNATURE PAGE]

[EIGHTIETH SUPPLEMENTAL INDENTURE DATED AS OF MARCH 1, 2013  
TO THE CAROLINA POWER & LIGHT COMPANY MORTGAGE AND DEED OF TRUST  
DATED AS OF MAY 1, 1940]

STATE OF NORTH CAROLINA                    )  
  ) SS.:  
COUNTY OF MECKLENBURG                    )

This 12th day of March, A.D. 2013, personally came before me, Jennie M. Raine, a Notary Public, STEPHEN G. DE MAY, who, being by me duly sworn, acknowledged before me that he is Vice President and Treasurer of CAROLINA POWER & LIGHT COMPANY d/b/a PROGRESS ENERGY CAROLINAS, INC., and that the seal affixed to the foregoing instrument in writing is the corporate seal of said company, and that said writing was signed and sealed by him in behalf of said corporation by its authority duly given. And the said STEPHEN G. DE MAY acknowledged the said writing to be the act and deed of said corporation.

On the 12th day of March, in the year of 2013, before me personally came STEPHEN G. DE MAY, to me known, who, being by me duly sworn, did depose and say that he resides at 2023 Queens Road W, Charlotte, NC 28207-2707; that he is Vice President and Treasurer of CAROLINA POWER & LIGHT COMPANY d/b/a PROGRESS ENERGY CAROLINAS, INC., one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed his name thereto by like order.

/s/ Jennie M. Raine  
Jennie M. Raine  
NOTARY PUBLIC, State of North Carolina  
Mecklenburg County  
My Commission Expires: August 12, 2016

STATE OF NORTH CAROLINA                    )  
  ) SS.:  
COUNTY OF MECKLENBURG                    )

This 12th day March, A.D. 2013, personally came before me, Jennie M. Raine, a Notary Public, ROBERT T. LUCAS III, who, being by me duly sworn, acknowledged before me that he is the Assistant Secretary of CAROLINA POWER & LIGHT COMPANY d/b/a PROGRESS ENERGY CAROLINAS, INC., and that the seal affixed to the foregoing instrument in writing is the corporate seal of said company, and that said writing was signed and attested by him on behalf of said corporation by its authority duly given.

On the 12th day of March, in the year of 2013, before me personally came ROBERT T. LUCAS III, to me known, who, being by me duly sworn, did depose and say that he resides at 1650 Myers Park Drive, Charlotte, NC 28207; that he is the Assistant Secretary of CAROLINA POWER & LIGHT COMPANY d/b/a PROGRESS ENERGY CAROLINAS, INC., one of the corporations described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it was so affixed by order of the Board of Directors of said corporation, and that he signed and attested his name thereto by the authority of the Board of Directors of said corporation.

/s/ Jennie M. Raine  
Jennie M. Raine  
NOTARY PUBLIC, State of North Carolina  
Mecklenburg County  
My Commission Expires: August 12, 2016

STATE OF NEW YORK                     )  
  ) SS.:  
COUNTY OF NEW YORK                )

On March 8, 2013 before me, the undersigned, personally appeared LAURENCE J. O'BRIEN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he signed the same in his capacity as a Vice President of THE BANK OF NEW YORK MELLON, a New York banking corporation, as Trustee, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, signed the instrument.

I, Danny Lee, a Notary Public of the State of New York, certify that LAURENCE J. O'BRIEN personally came before me this day and acknowledged that he is a Vice President of THE BANK OF NEW YORK MELLON, a New York banking corporation, as Trustee, and that he, as Vice President, being authorized to do so, signed the foregoing on behalf of the corporation.

Witness my hand and official seal, this the 8th day of March 2013.

/s/ Danny Lee  
Danny Lee  
Notary Public, State of New York  
No. 01LE6161129  
Qualified in New York County  
Commission Expires February 20, 2015

STATE OF NEW YORK                     )  
  ) SS.:  
COUNTY OF NEW YORK                )

On March 8, 2013 before me, the undersigned, personally appeared LATOYA S. ELVIN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she signed and attested the same in her capacity as a Vice President of THE BANK OF NEW YORK MELLON, a New York banking corporation, as Trustee, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, signed and attested the instrument.

I, Danny Lee, a Notary Public of the State of New York, certify that LATOYA S. ELVIN personally came before me this day and acknowledged that she is a Vice President of THE BANK OF NEW YORK MELLON, a New York banking corporation, as Trustee, and that she, as Vice President, being authorized to do so, signed and attested the foregoing on behalf of the corporation.

Witness my hand and official seal, this the 8<sup>th</sup> day of March 2013.

/s/ Danny Lee  
Danny Lee  
Notary Public, State of New York  
No. 01LE6161129  
Qualified in New York County  
Commission Expires February 20, 2015

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STATE OF FLORIDA                     )  
  ) SS.:  
COUNTY OF DUVAL                    )

On March 7, 2013 before me, the undersigned, personally appeared TINA D. GONZALEZ, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her capacity as successor Individual Trustee, and that by her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

I, Lillie C. Mariano, a Notary Public of the State of Florida, do hereby certify that TINA D. GONZALEZ, as successor Individual Trustee, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal, this the 7<sup>th</sup> of March 2013.

/s/ Lillie C. Mariano  
Lillie C. Mariano  
Notary Public, State of Florida  
No. EE848169  
Commission Expires: October 31, 2016

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THIS SECURITY IS A NINETY-FIRST SERIES GLOBAL BOND WITHIN THE MEANING OF THE MORTGAGE HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF A DEPOSITARY OR A NOMINEE THEREOF. THIS SECURITY MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS SECURITY IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN SUCH DEPOSITARY OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE MORTGAGE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO CAROLINA POWER & LIGHT COMPANY D/B/A PROGRESS ENERGY CAROLINAS, INC. OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THIS FIRST MORTGAGE BOND, 4.10% SERIES DUE 2043 MAY, UNDER CONDITIONS PROVIDED IN THE MORTGAGE, BE EXCHANGED FOR FIRST MORTGAGE BONDS, 4.10% SERIES DUE 2043 IN THE FORM OF DEFINITIVE CERTIFICATES OF LIKE TENOR AND OF AN EQUAL AGGREGATE PRINCIPAL AMOUNT, IN AUTHORIZED DENOMINATIONS, REGISTERED IN THE NAMES OF SUCH PERSONS AS THE DEPOSITARY SHALL INSTRUCT THE CORPORATE TRUSTEE. ANY SUCH EXCHANGE SHALL BE MADE UPON RECEIPT BY THE CORPORATE TRUSTEE OF A REQUEST BY CAROLINA POWER & LIGHT COMPANY D/B/A PROGRESS ENERGY CAROLINAS, INC. THEREFOR AND A WRITTEN INSTRUCTION FROM THE DEPOSITARY SETTING FORTH THE NAME OR NAMES IN WHICH THE CORPORATE TRUSTEE IS TO REGISTER SUCH FIRST MORTGAGE BONDS, 4.10% SERIES DUE 2043 IN THE FORM OF DEFINITIVE CERTIFICATES.

REGISTERED BOND

CUSIP: 144141DD7

CAROLINA POWER & LIGHT COMPANY  
d/b/a PROGRESS ENERGY CAROLINAS, INC.

First Mortgage Bond,  
4.10% Series due 2043

No.

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CAROLINA POWER & LIGHT COMPANY d/b/a PROGRESS ENERGY CAROLINAS, INC., a corporation of the State of North Carolina (the “Company”), for value received, hereby promises to pay to

or registered assigns, at the office or agency of the Company in the Borough of Manhattan, The City of New York,

DOLLARS (\$     )

on March 15, 2043, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts, and to pay to the registered owner hereof interest thereon from March 12, 2013, if the date of this bond is on or prior to September 15, 2013, or, if the date of this bond is after September 15, 2013, from the March 15 or September 15 next preceding the date of this bond, at the rate of 4.10% per annum (with interest on overdue principal and overdue installments of interest payable in accordance with the terms of the Mortgage (as hereinafter defined)) in like coin or currency semi-annually at said office or agency, on March 15 and September 15 in each year until the principal of this bond shall have become due and payable (each an “Interest Payment Date”). If the date of this bond is on or prior to September 15, 2013, such payments shall commence on September 15, 2013.

Any interest on this bond which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the person in whose name this bond (or one or more predecessor bonds) is registered at the close of business on the tenth calendar day next preceding such Interest Payment Date (i.e., March 5 and September 5, respectively) (each a “Regular Record Date”), provided, however, that so long as this bond is registered in the name of The Depository Trust Company, a New York corporation, its nominee or a successor depository, the Regular Record Date shall be the close of business on the business day (as defined in the Eightieth Supplemental Indenture mentioned below) immediately preceding such Interest Payment Date.

Any interest on this bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date shall forthwith cease to be payable to the registered holder on the relevant Regular Record Date solely by virtue of such holder having been such holder; and such interest, together with any interest thereon as provided in the Mortgage (collectively, “Defaulted Interest”), may be paid by the Company, at its election in each case, as provided in Subsection A or B below:

A. The Company may elect to make payment of any Defaulted Interest on the bonds of this series (as defined below) to the persons in whose names such bonds (or their respective predecessor bonds) are registered at the close of business on a special record date for the payment of such Defaulted Interest, which shall be fixed in the following manner (a “Special Record Date”). The Company shall notify the Corporate Trustee referred to below in writing of the amount of Defaulted Interest proposed to be paid on each bond and the date of the proposed payment (which date shall be such as will enable the Corporate Trustee to comply with the next two sentences hereof), and at the same time the

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Company shall deposit with the Corporate Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Corporate Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the persons entitled to such Defaulted Interest as in this Subsection provided and not to be deemed otherwise part of the trust estate or trust moneys. Thereupon the Corporate Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 nor less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Corporate Trustee of the notice of the proposed payment. The Corporate Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each holder of a bond of this series at such holder's address as it appears in the bond register not less than 10 days prior to such Special Record Date. The Corporate Trustee may, in its discretion in the name and at the expense of the Company, cause a similar notice to be published at least once in a newspaper approved by the Company in each place of payment of the bonds of this series, but such publication shall not be a condition precedent to the establishment of such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the persons in whose names the bonds of this series (or their respective predecessor bonds) are registered on such Special Record Date and shall no longer be payable pursuant to the following Subsection B.

B. The Company may make payment of any Defaulted Interest on the bonds of this series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such bonds may be listed and upon such notice as may be required by such exchange, if, after notice given by the Company to the Corporate Trustee of the proposed payment pursuant to this Subsection, such payment shall be deemed practicable by the Corporate Trustee.

Subject to the foregoing, each bond of this series delivered under the Mortgage hereinafter mentioned upon transfer of or in exchange for or in lieu of any other bond of this series shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other bond.

This bond is one of an issue of bonds of the Company issuable in series and is one of a series known as its First Mortgage Bonds, 4.10% Series due 2043 (the "bonds of this series"), all bonds of all series issued and to be issued under and equally secured (except in so far as any sinking fund or other fund, established in accordance with the provisions of the Mortgage hereinafter mentioned, may afford additional security for the bonds of any particular series) by a Mortgage and Deed of Trust (together with any indenture supplemental thereto, including the Eightieth Supplemental Indenture, dated as of March 1, 2013, the "Mortgage"), dated as of May 1, 1940, executed by the Company to The Bank of New York Mellon (formerly Irving Trust Company), as Corporate Trustee, and Tina D. Gonzalez (successor to Frederick G. Herbst), as

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Individual Trustee. Reference is made to the Mortgage for a description of the property mortgaged and pledged, the nature and extent of the security, the rights of the holders of the bonds and of the Trustees in respect thereof, the duties and immunities of the Trustees and the terms and conditions upon which the bonds are and are to be secured and the circumstances under which additional bonds may be issued. With the consent of the Company and to the extent permitted by and as provided in the Mortgage, the rights and obligations of the Company and/or the rights of the holders of the bonds and/or coupons and/or the terms and provisions of the Mortgage may be modified or altered by affirmative vote of the holders of at least 66 2/3% in principal amount of the bonds then outstanding under the Mortgage and, if the rights of one or more, but less than all, series of bonds then outstanding are to be affected, then also by affirmative vote of the holders of at least 66 2/3% in principal amount of the bonds then outstanding of each series of bonds so to be affected (excluding in any case bonds disqualified from voting by reason of the Company's interest therein as provided in the Mortgage); provided that, without the consent of the holder hereof, no such modification or alteration, among other things, shall impair or affect the right of the holder to receive payment of the principal of and interest on this bond, on or after the respective due dates expressed herein, or permit the creation of any lien equal or prior to the lien of the Mortgage or deprive the holder of a lien on the mortgaged and pledged property.

The principal hereof may be declared or may become due prior to the maturity date hereinbefore named on the conditions, in the manner and at the time set forth in the Mortgage, upon the occurrence of a default as in the Mortgage provided.

This bond is transferable as prescribed in the Mortgage by the registered owner hereof in person, or by his 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, and thereupon a new fully registered temporary or definitive bond of the same series for a like principal amount will be issued to the transferee in exchange herefor as provided in the Mortgage. The Company and the Trustees may deem and treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment and for all other purposes.

In the manner prescribed in the Mortgage, any bonds of this series, upon surrender thereof for cancellation at the office or agency of the Company in the Borough of Manhattan, The City of New York, are exchangeable for a like aggregate principal amount of bonds of the same series of other authorized denominations.

At any time on or after September 15, 2042, the bonds of this series shall be redeemable at the option of the Company, in whole or in part and from time to time, prior to maturity, upon notice as provided in the Mortgage (given by mail not less than 30 days and not more than 90 days prior to the date fixed for redemption), at a redemption price equal to 100% of the principal amount of the bonds then outstanding to be redeemed, plus in each case accrued interest on such principal amount to such date fixed for redemption. At any time prior to September 15, 2042, the bonds of this series shall be redeemable at the option of the Company, in whole or in part and from time to time, upon notice as provided in the Mortgage (given by mail not less than 30 days and not more than 90 days prior to the date fixed for redemption (together with the date fixed for redemption referred to in the preceding sentence, each a "Redemption Date")), at a redemption



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price (together with the redemption price referred to in the preceding sentence, each a “Redemption Price”) equal to the greater of (i) 100% of the principal amount of the bonds then outstanding to be redeemed and (ii) the sum of the present values of the remaining scheduled payments of principal and interest on such bonds from the Redemption Date to the maturity date, computed by discounting such payments, in each case, to the Redemption Date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (as defined in the Eightieth Supplemental Indenture mentioned above) plus 15 basis points, plus in either case accrued but unpaid interest on such principal amount to the Redemption Date. On and after any Redemption Date, if sufficient cash shall have been deposited with Corporate Trustee (and/or if the Company has irrevocably directed the Corporate Trustee to apply, from moneys held by it available to be used for the redemption of bonds, sufficient cash) to redeem all of the bonds of this series called for redemption, interest on the bonds of this series, or the portions of them so called for redemption, shall cease to accrue. Reference is made to said Eightieth Supplemental Indenture for the full terms of the redemption provisions applicable to the bonds of this series.

No recourse shall be had for the payment of the principal or any Redemption Price of or interest on this bond against any incorporator or any past, present or future subscriber to the capital stock, stockholder, officer or director of the Company or of any predecessor or successor corporation, as such, either directly or through the Company or any predecessor or successor corporation, under any rule of law, statute or constitution or by the enforcement of any assessment or otherwise, all such liability of incorporators, subscribers, stockholders, officers and directors being released by the holder or owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Mortgage.

This bond shall not become obligatory until The Bank of New York Mellon (formerly Irving Trust Company), the Corporate Trustee under the Mortgage, or its successor thereunder, shall have signed the form of certificate endorsed hereon.

[Signature Page Follows]

IN WITNESS WHEREOF, CAROLINA POWER & LIGHT COMPANY d/b/a PROGRESS ENERGY CAROLINAS, INC. has caused this bond to be signed in its corporate name with the manual or facsimile signature of its President or one of its Vice Presidents and its corporate seal to be impressed or imprinted hereon and attested by its Secretary or one of its Assistant Secretaries.

CAROLINA POWER & LIGHT COMPANY  
d/b/a PROGRESS ENERGY CAROLINAS, INC.

DATED:

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

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CORPORATE TRUSTEE'S CERTIFICATE

This bond is one of the bonds, of the series herein designated, described or provided for in the within-mentioned Mortgage.

THE BANK OF NEW YORK MELLON,  
Corporate Trustee

By: \_\_\_\_\_  
Authorized Officer

CAROLINA POWER & LIGHT COMPANY  
d/b/a Progress Energy Carolinas, Inc.  
410 South Wilmington Street  
Raleigh, North Carolina 27601-1748

March 12, 2013

Carolina Power & Light Company  
d/b/a Progress Energy Carolinas, Inc.  
410 South Wilmington Street  
Raleigh, North Carolina 27601-1748

Re: Progress Energy Carolinas, LLC \$500,000,000 First Mortgage Bonds, 4.10% Series due 2043

Ladies and Gentlemen:

I am an Assistant Secretary of Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc. (the "Company"), and I have acted as counsel to the Company in connection with the public offering of \$500,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 4.10% Series due 2043 (the "Securities") to be issued pursuant to a Mortgage and Deed of Trust, dated as of May 1, 1940, with The Bank of New York Mellon (formerly Irving Trust Company) (the "Corporate Trustee") and Tina D. Gonzalez (successor to Frederick G. Herbst) (together with the Corporate Trustee, the "Trustees"), as Trustees, as heretofore supplemented and as further supplemented by the Eightieth Supplemental Indenture (the "Supplemental Indenture"), dated as of March 1, 2013, between the Company and the Trustees, relating to the Securities (collectively, the "Mortgage"). On March 7, 2012, the Company entered into an Underwriting Agreement (the "Underwriting Agreement") with Barclays Capital Inc., BNP Paribas Securities Corp., Credit Suisse Securities (USA) LLC and RBS Securities Inc., as representatives of the several underwriters named therein (the "Underwriters"), relating to the sale by the Company to the Underwriters of the Securities.

This opinion is being delivered in accordance with the requirements of Item 601(b)(5) of Regulation S-K under the Securities Act of 1933, as amended (the "Securities Act").

I am a member of the bar of the State of North Carolina and my opinion set forth herein is limited to North Carolina limited liability company law. I do not express any opinion with respect to any other law of the State of North Carolina or any other jurisdiction, or as to the effect thereof on the opinion herein stated. The Mortgage and the form of Securities do not include provisions specifying the governing law. For purposes of my opinions, I have assumed that the Mortgage and the Securities are governed exclusively by the internal substantive laws and judicial interpretations of the State of North Carolina.

In connection with this opinion, I or attorneys under my supervision (with whom I have consulted) have examined and are familiar with originals or copies, certified or otherwise identified to our satisfaction, of:

(a) the registration statement on Form S-3 (File No. 333-169633-03) of the Company filed on September 29, 2010, with the Securities and Exchange Commission (the "Commission") under the Securities Act allowing for delayed offerings pursuant to Rule 415 under the Securities Act and the information deemed to be a part of such registration statement as of the date hereof pursuant to Rule 430B of the General Rules and Regulations under the Securities Act (the "Rules and Regulations") (such registration statement, effective upon filing with the Commission on September 29, 2010 pursuant to Rule 462(e) of the Rules and Regulations, being hereinafter referred to as the "Registration Statement");

(b) the prospectus, dated March 1, 2012, which forms a part of and is included in the Registration Statement in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;

(c) the preliminary prospectus supplement, dated March 7, 2013, relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;

(d) the prospectus supplement, dated March 7, 2013, relating to the offering of the Securities in the form filed with the Commission pursuant to Rule 424(b) of the Rules and Regulations;

(e) the Issuer Free Writing Prospectus filed with the Commission on March 7, 2013 pursuant to Rule 433(d) of the Securities Act and Section 5(e) of the Underwriting Agreement;

(f) the Restated Charter of the Company dated May 22, 1980, as amended;

(g) the By-Laws of the Company, as amended;

(h) an executed copy of the Underwriting Agreement;

(i) a specimen of the Securities;

(j) an executed copy of the Original Mortgage,

(k) an executed copy of the Supplemental Indenture;

(l) resolutions of the Board of Directors of the Company, adopted at meetings of the Board of Directors on April 25, 1940 and May 17 1940, relating to, among other things, the authorization of the execution of the Original Mortgage;

(m) resolutions of the Board of Directors of the Company, adopted at meetings held on December 13, 2000 and June 20, 2011 and adopted by written consent dated March 7, 2013, relating to, among other things, the preparation and filing with the Commission of the Registration Statement and the establishment and delegation of authority to a Securities Pricing Committee of the Board of Directors of the Company; and

(n) the Written Consent of the Securities Pricing Committee of the Board of Directors of the Company, effective March 7, 2013, acting pursuant to specific delegation made and authorization given by the Board of Directors pursuant to the resolutions described in clause (m) above, relating to the offering of the Securities.

I or attorneys under my supervision (with whom I have consulted) have also examined originals or copies, certified or otherwise identified to our satisfaction, of such records of the Company and such agreements and certificates and receipts of public officials, certificates of officers or other representatives of the Company and others, and such other documents, certificates and records as I or attorneys under my supervision (with whom I have consulted) have deemed necessary or appropriate as a basis for the opinions set forth below.

In my examination, I or attorneys under my supervision (with whom I have consulted) have assumed the legal capacity of all natural persons, the genuineness of all signatures, the authenticity of all documents submitted to me as originals, the conformity to original documents of all documents submitted to me as facsimile, electronic, certified or photostatic copies, and the authenticity of such copies. In making my examination of executed documents, I have assumed that the parties thereto, other than the Company, had the power, corporate or other, to enter into and perform all obligations thereunder and I have also assumed the due authorization by all requisite action, corporate or other, and the execution and delivery by such parties of such documents and, except to the extent expressly set forth below, the validity and binding effect thereof on such parties. As to any facts material to the opinions expressed herein which were not independently established or verified, I or attorneys under my supervision (with whom I have consulted) have relied upon oral or written statements and representations of officers and other representatives of the Company and others.

The opinion set forth below is subject to the following further qualifications, assumptions and limitations:

(i) the validity or enforcement of any agreements or instruments may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and

(ii) I do not express any opinion as to the applicability or effect of any fraudulent transfer, preference or similar law on any agreements or instruments or any transactions contemplated thereby.

Based upon the foregoing and subject to the limitations, qualifications, exceptions and assumptions set forth herein, I am of the opinion that the Securities have been duly authorized and executed by the Company, and that when duly authenticated by the Corporate Trustee and issued and delivered by the Company against payment therefor in accordance with the terms of the Underwriting Agreement and the Mortgage, the Securities will constitute valid and binding obligations of the Company and enforceable against the Company in accordance with their terms.

I hereby consent to the filing of this opinion with the Commission as an exhibit to the Registration Statement through incorporation by reference of a current report on Form 8-K. I also consent to the reference to my name under the heading "Legal Matters" in the Prospectus Supplement. In giving this consent, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the Securities Act or the Rules and Regulations of the Commission promulgated thereunder. This opinion is expressed as of the date hereof unless otherwise expressly stated, and I disclaim any undertaking to advise you of any subsequent changes in the facts stated or assumed herein or of any subsequent changes in applicable laws.

Very truly yours,

/s/ Robert T. Lucas III

Robert T. Lucas III, Esq.

**CAROLINA POWER & LIGHT COMPANY  
d/b/a PROGRESS ENERGY CAROLINAS, INC.**

**FIRST MORTGAGE BONDS,  
\$500,000,000 4.10% SERIES DUE 2043**

***UNDERWRITING AGREEMENT***

March 7, 2013

Barclays Capital Inc.  
745 Seventh Avenue  
New York, NY 10019

BNP Paribas Securities Corp.  
787 Seventh Avenue  
New York, NY 10019

Credit Suisse Securities (USA) LLC  
Eleven Madison Avenue  
New York, NY 10010

RBS Securities Inc.  
600 Washington Boulevard  
Stamford, Connecticut 06901

As Representatives of the several Underwriters

Ladies and Gentlemen:

1. *Introductory.* CAROLINA POWER & LIGHT COMPANY d/b/a PROGRESS ENERGY CAROLINAS, INC., a North Carolina corporation (the “Company”), proposes, subject to the terms and conditions stated herein, to issue and sell \$500,000,000 aggregate principal amount of First Mortgage Bonds, 4.10% Series due 2043 (the “Bonds”), to be issued under and secured by its Mortgage and Deed of Trust, dated as of May 1, 1940 (the “Original Mortgage”), between the Company and The Bank of New York Mellon, (formerly Irving Trust Company) (the “Corporate Trustee”) and Tina D. Gonzalez (successor to Frederick G. Herbst), as trustees (together with the Corporate Trustee, the “Trustees”), as amended and supplemented by various supplemental indentures, including the Eightieth Supplemental Indenture, to be dated as of March 1, 2013 (the Original Mortgage, as so amended and supplemented, being hereinafter called the “Mortgage”). Barclays Capital Inc., BNP Paribas Securities Corp., Credit Suisse



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Securities (USA) LLC and RBS Securities Inc. (the “Representatives”) are acting as representatives of the several underwriters named in Schedule A hereto (together with the Representatives, the “Underwriters”). The Company understands that the several Underwriters propose to offer the Bonds for sale upon the terms and conditions contemplated by (i) this Agreement and (ii) the Base Prospectus, the Preliminary Prospectus and any Permitted Free Writing Prospectus (each as defined below) issued at or prior to the Applicable Time (as defined below) (the documents referred to in the foregoing subclause (ii) are referred to herein as the “Pricing Disclosure Package”).

2. *Representations and Warranties of the Company.* As of the date hereof, as of the Applicable Time (as defined below) and as of the Closing Date (as defined below) the Company represents and warrants to, and agrees with, the several Underwriters that:

- (a) Registration statement (No. 333-179835-02), including a prospectus, relating to the Bonds and certain other securities has been filed with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “1933 Act”). Such registration statement and any post-effective amendment thereto, each in the form heretofore delivered to you, became effective upon filing with the Commission pursuant to Rule 462 of the rules and regulations of the Commission under the 1933 Act (the “1933 Act Regulations”), and no stop order suspending the effectiveness of such registration statement has been issued and no proceeding for that purpose or pursuant to Section 8A of the 1933 Act has been initiated or threatened by the Commission (if prepared, any preliminary prospectus supplement specifically relating to the Bonds immediately prior to the Applicable Time included in such registration statement or filed with the Commission pursuant to Rule 424(b) of the 1933 Act Regulations being hereinafter called a “Preliminary Prospectus”); the term “Registration Statement” means the registration statement as deemed revised pursuant to Rule 430B(f)(1) of the 1933 Act Regulations on the date of such registration statement’s effectiveness for purposes of Section 11 of the 1933 Act, as such section applies to the Company and the Underwriters for the Bonds pursuant to Rule 430B(f)(2) of the 1933 Act Regulations (the “Effective Date”), including all exhibits thereto and including the documents incorporated by reference in the prospectus contained in the Registration Statement at the time such part of the Registration Statement became effective; the term “Base Prospectus” means the prospectus filed with the Commission on the date hereof by the Company; and the term “Prospectus” means the Base Prospectus together with the prospectus supplement specifically relating to the Bonds prepared in accordance with the provisions of Rule 430B and promptly filed after execution and delivery of this Agreement pursuant to Rule 430B or Rule 424(b) of the 1933 Act Regulations; any information included in such Prospectus that was omitted from the Registration Statement at the time it became effective but that is deemed to be a part of and included in such registration statement pursuant to Rule 430B is referred to as “Rule 430B Information;” and any reference herein to any Registration Statement, Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated by reference therein, prior to the date hereof; any reference to any amendment or supplement to any Preliminary Prospectus or

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Prospectus shall be deemed to refer to and include any documents filed after the date of such Preliminary Prospectus or Prospectus, as the case may be, under the Securities Exchange Act of 1934, as amended (the “1934 Act”), and incorporated by reference in such Preliminary Prospectus or Prospectus, as the case may be; and any reference to any amendment to the Registration Statement shall be deemed to refer to and include any annual report of the Company filed pursuant to Section 13(a) or 15(d) of the 1934 Act after the effective date of the Registration Statement that is incorporated by reference in the Registration Statement. For purposes of this Agreement, the term “Applicable Time” means 3:45 p.m. (New York City time) on the date hereof.

- (b) The Registration Statement, the Permitted Free Writing Prospectus specified on Schedule B hereto, the Preliminary Prospectus and the Prospectus conform, and any amendments or supplements thereto will conform, in all material respects to the requirements of the 1933 Act and the 1933 Act Regulations; and (i) the Registration Statement, as of its original effective date and at each deemed effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations, and at the Closing Date, did not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and (ii) (A) the Pricing Disclosure Package, as of the Applicable Time, did not, (B) the Prospectus and any amendment or supplement thereto, as of their dates, will not, and (C) the Prospectus as of the Closing Date will not, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that the Company makes no warranty or representation to the Underwriters with respect to any statements or omissions made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters specifically for use in the Registration Statement, the Permitted Free Writing Prospectus, the Preliminary Prospectus or the Prospectus.
- (c) Any Permitted Free Writing Prospectus specified on Schedule B hereto as of its issue date and at all subsequent times through the completion of the public offer and sale of the Bonds or until any earlier date that the Company notified or notifies the Underwriters as described in Section 5(f) did not, does not and will not include any information that conflicts with the information (not superseded or modified as of the Effective Date) contained in the Registration Statement, any Preliminary Prospectus or the Prospectus.
- (d) At the earliest time the Company or another offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) of the 1933 Act Regulations) of the Bonds, the Company was not an “ineligible issuer” as defined in Rule 405 of the 1933 Act Regulations. The Company is, and was at the time of the initial filing of the Registration Statement, eligible to use Form S-3 under the 1933 Act.

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- (e) The documents and interactive data in eXtensible Business Reporting Language (“XBRL”) incorporated or deemed to be incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, at the time they were filed or hereafter are filed with the Commission, complied and will comply in all material respects with the requirements of the 1934 Act and the rules and regulations of the Commission thereunder (the “1934 Act Regulations”), and, when read together with the other information in the Prospectus, (i) at the time the Registration Statement became effective, (ii) at the Applicable Time and (iii) on the Closing Date did not, and will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
  - (f) The Company’s Annual Report filed on Form 10-K meets the conditions specified in General Instruction I(1)(a) and (b) of the General Instructions for Form 10-K.
  - (g) The compliance by the Company with all of the provisions of this Agreement has been duly authorized by all necessary corporate action and the consummation of the transactions herein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which it is bound or to which any of its property or assets is subject that would have a material adverse effect on the business, financial condition or results of operations of the Company, nor will such action result in any violation of the Company’s restated charter, as amended (the “Charter”), or the Company’s Bylaws (“ByLaws”) or any statute or any order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its property that would have a material adverse effect on the business, financial condition or results of operations of the Company; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the consummation by the Company of the transactions contemplated by this Agreement, except for authorization by the North Carolina Utilities Commission and the Public Service Commission of South Carolina and the registration under the 1933 Act of the Bonds, qualification under the Trust Indenture Act of 1939 (the “1939 Act”) and such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriters.
  - (h) This Agreement has been duly authorized, executed and delivered by the Company.
  - (i) The Original Mortgage has been duly authorized, executed and delivered by the Company and duly qualified under the 1939 Act and the Eightieth Supplemental Indenture, to be dated as of March 1, 2013 has been duly authorized and when executed and delivered by the Company and, assuming the due authorization,

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execution and delivery thereof by the Trustees, the Mortgage constitutes a valid and legally binding instrument of the Company enforceable against the Company in accordance with its terms, subject to the qualifications that the enforceability of the Company's obligations under the Mortgage may be limited by (x) the laws of the states of North Carolina and South Carolina (in which states all physical property of the Company subject to the Mortgage is located except for certain interconnection lines) with respect to or affecting the remedies to enforce the security provided by the Mortgage, which laws do not make inadequate the remedies necessary for the realization of the benefits of such security, and by bankruptcy, insolvency, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, and by general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law), and (y) that the provisions of the Mortgage subjecting to the lien thereof the revenues and income from the mortgaged property may not be effective prior to the delivery or taking of possession of such revenues or income or of the mortgaged property by or on behalf of the Trustees.

- (j) The Bonds have been duly authorized and when executed by the Company, and when authenticated by the Corporate Trustee, in the manner provided in the Mortgage and delivered against payment therefor, will constitute valid and legally binding obligations of the Company, enforceable against the Company in accordance with their terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity (regardless of whether enforceability is considered in a proceeding in equity or at law) and are entitled to the benefits and security afforded by the Mortgage in accordance with the terms of the Mortgage and the Bonds, except as set forth in paragraph (i) above.
- (k) Any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument set forth on Annex A hereto or filed or incorporated by reference as an exhibit to the Registration Statement or the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2012 or any subsequent Quarterly Report on Form 10-Q of the Company or Current Report on Form 8-K of the Company are all indentures, mortgages, deeds of trust, loan agreements or other agreements or instruments that are material to the Company and its subsidiaries taken as a whole.
- (l) The Company has no "significant subsidiaries" within the meaning of Rule 405 of the 1933 Act Regulations.
- (m) The Company (i) is a corporation duly incorporated and validly existing in good standing under the laws of the State of North Carolina and (ii) is duly qualified to do business in each jurisdiction where the failure to be so qualified would materially adversely affect the ability of the Company to perform its obligations under this Agreement, the Mortgage or the Bonds.

3. *Purchase, Sale and Delivery of Bonds.* On the basis of the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to the Underwriters, and the Underwriters agree, severally and not jointly, to purchase from the Company, at a purchase price of 98.390% of the principal amount of the Bonds plus accrued interest from March 12, 2013 (and in the manner set forth below), the principal amount of Bonds set forth opposite the name of each Underwriter on Schedule A hereto plus the principal amount of additional Bonds which each such Underwriter may become obligated to purchase pursuant to the provisions of Section 8 hereof. The Underwriters hereby agree to reimburse the Company in an aggregate amount equal to \$625,000 including in respect of expenses incurred by the Company in connection with the offering of the Bonds.

Payment of the purchase price for the Bonds to be purchased by the Underwriters and the reimbursement shall be made at the offices of Robinson, Bradshaw & Hinson, P.A., 101 North Tryon Street, Suite 1900, Charlotte, North Carolina 28246, or at such other place as shall be mutually agreed upon by the Representatives and the Company, at 10:00 a.m., New York City time, on March 12, 2013 or such other time and date as shall be agreed upon in writing by the Company and the Representatives (the "Closing Date"). All other documents referred to herein that are to be delivered at the Closing Date shall be delivered at that time at the offices of Sidley Austin LLP, 787 Seventh Avenue, New York, NY 10019. Payment shall be made to the Company by wire transfer in immediately available funds, payable to the order of the Company against delivery of the Bonds, in fully registered form, to you or upon your order. The Bonds shall be delivered in the form of one or more global certificates in aggregate denomination equal to the aggregate principal amount of the Bonds upon original issuance, and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC").

4. *Offering by the Underwriters.* It is understood that the several Underwriters propose to offer the Bonds for sale to the public as set forth in the Pricing Disclosure Package and the Prospectus.

5. *Covenants of the Company.* The Company covenants and agrees with the several Underwriters that:

- (a) The Company will cause any Preliminary Prospectus and the Prospectus to be filed pursuant to, and in compliance with, Rule 424(b) of the 1933 Act Regulations, and advise the Underwriters promptly of the filing of any amendment or supplement to the Registration Statement, any Preliminary Prospectus or the Prospectus and of the institution by the Commission of any stop order proceedings in respect of the Registration Statement, and will use its best efforts to prevent the issuance of any such stop order and to obtain as soon as possible its lifting, if issued.
- (b) If at any time when a prospectus relating to the Bonds (or the notice referred to in Rule 173(a) of the 1933 Act Regulations) is required to be delivered under the 1933 Act any event occurs as a result of which the Pricing Disclosure Package or the Prospectus as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were

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made, not misleading, or if it is necessary at any time to amend the Pricing Disclosure Package or the Prospectus to comply with the 1933 Act, the Company promptly will prepare and file with the Commission an amendment, supplement or an appropriate document pursuant to Section 13 or 14 of the 1934 Act which will correct such statement or omission or which will effect such compliance.

- (c) The Company, during the period when a prospectus relating to the Bonds is required to be delivered under the 1933 Act, will timely file all documents required to be filed with the Commission pursuant to Section 13 or 14 of the 1934 Act.
- (d) Without the prior consent of the Underwriters, the Company has not made and will not make any offer relating to the Bonds that would constitute a “free writing prospectus” as defined in Rule 405 of the 1933 Act Regulations, other than a Permitted Free Writing Prospectus; each Underwriter, severally and not jointly, represents and agrees that, without the prior consent of the Company, it has not made and will not make any offer relating to the Bonds that would constitute a “free writing prospectus” as defined in Rule 405 of the 1933 Act Regulations, other than a Permitted Free Writing Prospectus or a free writing prospectus that is not required to be filed by the Company pursuant to Rule 433 of the 1933 Act Regulations; any such free writing prospectus (which shall include the pricing term sheet discussed in Section 5(e) below), the use of which has been consented to by the Company and the Underwriters, is listed on Schedule B and herein is called a “Permitted Free Writing Prospectus.” The Company represents that it has treated or agrees that it will treat each Permitted Free Writing Prospectus as an “issuer free writing prospectus,” as defined in Rule 433, and has complied and will comply with the requirements of Rule 433 applicable to any Permitted Free Writing Prospectus, including timely filing with the Commission where required, legending and record keeping.
- (e) The Company agrees to prepare a pricing term sheet specifying the terms of the Bonds not contained in any Preliminary Prospectus, substantially in the form of Schedule C hereto and approved by the Representatives on behalf of the Underwriters, and to file such pricing term sheet as an “issuer free writing prospectus” pursuant to Rule 433 of the 1933 Act Regulations prior to the close of business two business days after the date hereof.
- (f) The Company agrees that if at any time following the issuance of a Permitted Free Writing Prospectus any event occurs as a result of which such Permitted Free Writing Prospectus would conflict with the information (not superseded or modified as of the Effective Date) in the Registration Statement, the Pricing Disclosure Package or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Underwriters and, if requested by the Underwriters, will prepare and furnish without charge to each Underwriter a free writing prospectus or other document, the use of which has been consented to by the Underwriters, which will correct such conflict, statement or omission.

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- (g) The Company will make generally available to its security holders, in each case as soon as practicable but not later than 60 days after the close of the period covered thereby, earnings statements (in form complying with the provisions of Rule 158 under the 1933 Act, which need not be certified by independent certified public accountants unless required by the 1933 Act) covering (i) a twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the effective date of the Registration Statement and (ii) a twelve-month period beginning not later than the first day of the Company's fiscal quarter next following the date of this Agreement.
  - (h) The Company will furnish to you, without charge, copies of the Registration Statement (three of which will include all exhibits other than those incorporated by reference), the Pricing Disclosure Package and the Prospectus, and all amendments and supplements to such documents, in each case as soon as available and in such quantities as you reasonably request.
  - (i) The Company will arrange or cooperate in arrangements for the qualification of the Bonds for sale under the laws of such jurisdictions as you designate and will continue such qualifications in effect so long as required for the distribution; provided, however, that the Company shall not be required to qualify as a foreign corporation or to file any general consents to service of process under the laws of any state where it is not now so subject.
  - (j) The Company will pay all expenses incident to the performance of its obligations under this Agreement including (i) the printing and filing of the Registration Statement and the printing of this Agreement and any Blue Sky Survey, (ii) the preparation and printing of certificates for the Bonds, (iii) the issuance and delivery of the Bonds as specified herein, (iv) the fees and disbursements of counsel for the Underwriters in connection with the qualification of the Bonds under the securities laws of any jurisdiction in accordance with the provisions of Section 5(i) and in connection with the preparation of the Blue Sky Survey, such fees not to exceed \$5,000, (v) the printing and delivery to the Underwriters, in quantities as hereinabove referred to, of copies of the Registration Statement and any amendments thereto, of any Preliminary Prospectus, of the Prospectus, of any Permitted Free Writing Prospectus and any amendments or supplements thereto, (vi) any fees charged by independent rating agencies for rating the Bonds, (vii) any fees and expenses in connection with the listing of the Bonds on the New York Stock Exchange, (viii) any filing fee required by the Financial Industry Regulatory Authority, (ix) the costs of any depository arrangements for the Bonds with DTC or any successor depository, (x) the costs and expenses of the Company relating to investor presentations on any "road show" undertaken in connection with the marketing of the offering of the Bonds, including, without limitation, expenses associated with the production of road show slides and graphics, fees and expenses of any consultants engaged in connection with the road show

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presentations with the prior approval of the Company, travel and lodging expenses of the Underwriters and officers of the Company and any such consultants, and the cost of any aircraft chartered in connection with the road show; provided, however, the Underwriters shall reimburse a portion of the costs and expenses referred to in this clause (x) and (xi) the preparation, execution, filing and recording by the Company of the Eightieth Supplemental Indenture; and the Company will pay all taxes, if any (but not including any transfer taxes), on the filing and recordation of the Eightieth Supplemental Indenture.

- (k) Promptly after the Closing Date, the Company will cause the Eightieth Supplemental Indenture to be recorded in all recording offices in the states of North Carolina and South Carolina in which the property intended to be subject to the lien of the Mortgage is located.

6. *Conditions of the Obligations of the Underwriters.* The obligations of the several Underwriters to purchase and pay for the Bonds will be subject to the accuracy of the representations and warranties on the part of the Company herein, to the accuracy of the statements of officers of the Company made pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions precedent:

- (a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) within the applicable time period prescribed for filing by the 1933 Act Regulations and in accordance herewith and each Permitted Free Writing Prospectus shall have been filed by the Company with the Commission within the applicable time periods prescribed for such filings by, and otherwise in compliance with, Rule 433 of the 1933 Act Regulations.
- (b) On or after the Applicable Time and prior to the Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose or pursuant to Section 8A of the 1933 Act shall have been instituted or, to the knowledge of the Company or you, shall be threatened by the Commission.
- (c) On or after the Applicable Time and prior to the Closing Date, the rating assigned by Moody's Investors Service, Inc., Standard & Poor's Ratings Services or Fitch Ratings Inc. to any debt securities or preferred stock of the Company as of the date of this Agreement shall not have been lowered.
- (d) Since the respective most recent dates as of which information is given in the Pricing Disclosure Package and the Prospectus and up to the Closing Date, there shall not have been any material adverse change in the condition of the Company, financial or otherwise, except as reflected in or contemplated by the Pricing Disclosure Package and the Prospectus, and, since such dates and up to the Closing Date, there shall not have been any material transaction entered into by the Company other than transactions contemplated by the Pricing Disclosure Package and the Prospectus and transactions in the ordinary course of business,



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the effect of which in your reasonable judgment is so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated by the Pricing Disclosure Package and the Prospectus.

- (e) You shall have received an opinion of Robert T. Lucas III, Esq., Assistant Secretary of the Company, dated the Closing Date, to the effect that:
- (i) The Company is a corporation in existence under the laws of the State of North Carolina and is in good standing under the laws of the State of North Carolina, with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Disclosure Package and the Prospectus and to enter into and perform its obligations under this Agreement.
  - (ii) The Company is duly qualified to do business in each jurisdiction in which the ownership or leasing of its property or the conduct of its business requires such qualification, except where the failure to so qualify, considering all such cases in the aggregate, does not have a material adverse effect on the business, properties, financial condition or results of operations of the Company.
  - (iii) The Registration Statement became effective upon filing with the Commission pursuant to Rule 462 of the 1933 Act Regulations, and, to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are pending or threatened under the 1933 Act.
  - (iv) The descriptions in the Registration Statement, the Pricing Disclosure Package and the Prospectus of any legal or governmental proceedings are accurate and fairly present the information required to be shown, and such counsel does not know of any litigation or any legal or governmental proceeding instituted or threatened against the Company or any of its properties that would be required to be disclosed in the Registration Statement, the Pricing Disclosure Package or the Prospectus and is not so disclosed.
  - (v) This Agreement has been duly authorized, executed and delivered by the Company.
  - (vi) The issue and sale of the Bonds by the Company and the execution, delivery and performance by the Company of this Agreement, the Mortgage and the Bonds will not contravene any of the provisions of the Charter or the ByLaws, the North Carolina Business Corporation Act or any statute or any order, rule or regulation of which such counsel is aware of, any court or governmental agency or body having jurisdiction over the

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Company or any of its property, nor will such action conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under any indenture, mortgage, deed of trust, loan agreement or other agreement to which the Company is a party or by which it or its property is bound or to which any of its property or assets is subject or any instrument filed or incorporated by reference as an exhibit to the Annual Report on Form 10-K of the Company for the fiscal year ended December 31, 2012 or any Current Report on Form 8-K of the Company with an execution or filing date after December 31, 2012 or identified in Annex A to this Agreement, which affects in a material way the Company's ability to perform its obligations under this Agreement, the Mortgage or the Bonds.

- (vii) The North Carolina Utilities Commission and the Public Service Commission of South Carolina have issued appropriate orders with respect to the issuance and sale of the Bonds in accordance with this Agreement, and, to the best of such counsel's knowledge, such orders are still in effect and the issuance and sale of the Bonds to the Underwriters are in conformity with the terms of such orders; and no other authorization, approval or consent of any other governmental body (other than in connection or compliance with the provisions of the securities or Blue Sky laws of any jurisdiction) is legally required for the issuance and sale of the Bonds pursuant to this Agreement.
- (viii) The Mortgage has been duly authorized, executed and delivered by the Company and qualified under the 1939 Act, and, assuming the due authorization, execution and delivery thereof by the Trustees, constitutes a valid and legally binding instrument of the Company, enforceable against the Company in accordance with its terms, except (x) as the same may be limited by the laws of the States of North Carolina and South Carolina (in which States all physical property of the Company subject to the Mortgage is located except for certain interconnection lines) with respect to or affecting the remedies to enforce the security provided by the Mortgage, which laws do not make inadequate the remedies necessary for the realization of the benefits of such security, and (y) that the provisions of the Mortgage subjecting to the lien thereof the revenues and income from the mortgaged property may not be effective prior to the delivery or taking of possession of such revenues or income or of the mortgaged property by or on behalf of the Trustees.
- (ix) The Bonds have been duly authorized, executed and issued by the Company and, when the same have been authenticated by the Corporate Trustee as specified in the Mortgage and delivered against payment therefor, will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with their terms, and are entitled to the benefits and security afforded by the Mortgage in accordance with the terms of the Mortgage and the Bonds, except as set forth in paragraph (viii) above.

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- (x) The Company has good title to all properties owned by it, subject only (a) to the lien of the Mortgage, (b) to Excepted Encumbrances as defined in the Mortgage, (c) to minor exceptions and defects which do not, in the aggregate, materially interfere with the use by the Company of such properties for the purposes for which they are held, materially detract from the value of said properties or in any material way impair the security afforded by the Mortgage, (d) in the case of the Company's existing hydroelectric plants, to provisions of licenses issued by the Federal Power Commission or the Federal Energy Regulatory Commission and to the provisions of the Federal Power Act and (e) to certain rights-of-way over private property on which are located transmission and distribution lines formerly owned by the Tide Water Power Company (merged into the Company on February 29, 1952).
- (xi) The Mortgage complies as to form with all applicable laws of the states wherein the properties subjected or intended to be subjected to the lien of the Mortgage are located, including all applicable recording laws, and constitutes a valid, direct first mortgage lien on all properties and franchises purported to be owned by the Company, except such property as is specifically excepted from the lien thereof, subject only to the liens, charges and encumbrances stated in paragraph (x) above; all fixed electric properties hereafter acquired by the Company will, upon such acquisition, become subject to the lien of the Mortgage, subject, however, to liens or charges of the character permitted to exist by the Mortgage, and to liens, if any, existing or placed on such property at the time of the acquisition thereof by the Company, and the description of such property and franchises in the Mortgage is adequate to constitute a lien on such property and franchises of the Company except as aforesaid.
- (xii) The Original Mortgage and the supplemental indentures thereto, other than the Eightieth Supplemental Indenture to be dated as of March 1, 2013, have been duly recorded or filed for recordation in all such offices as are necessary to perfect and to preserve and protect the lien of the Mortgage upon the property intended to be subjected to the lien thereof, and upon the filing and recording of the Eightieth Supplemental Indenture to be dated as of March 1, 2013, no other recording or any periodic or other refiling or rerecording of the Mortgage is or will be required in order to perfect and to preserve and protect the lien of the Mortgage upon such property, and there are no mortgage, recording or other taxes required to be paid in connection with such filing and recording or in connection with the issuance of the Bonds other than customary filing and recording fees.
- (xiii) No consent, approval, authorization, order, registration or qualification of or with any federal, North Carolina or South Carolina governmental

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agency or body or, to such counsel's knowledge, any federal or North Carolina court, which has not been obtained or taken and is not in full force and effect, is required to authorize or for the Company to consummate the transactions contemplated by this Agreement, except for such consents, approvals, authorizations, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Bonds by the Underwriters.

Such counsel may state that such counsel's opinions in paragraphs (viii) and (ix) above are subject to the effects of bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting creditors' rights generally, and by general equitable principles (whether considered in a proceeding in equity or at law) and an implied covenant of good faith and fair dealing. Such counsel may also state that such counsel's opinion in paragraph (x) above is based upon the Company's title insurance. Such counsel shall state that nothing has come to such counsel's attention that has caused him to believe that each document incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, when filed, was not, on its face, appropriately responsive, in all material respects, to the requirements of the 1934 Act and the 1934 Act Regulations. Such counsel shall also state that nothing has come to such counsel's attention that has caused such counsel to believe that (i) the Registration Statement, as of the effective date with respect to the Underwriters pursuant to Rule 430B(f)(2) of the 1933 Act Regulations, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, (ii) the Pricing Disclosure Package at the Applicable Time contained any untrue statement of a material fact or omitted to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading or (iii) that the Prospectus, as of the date it was filed with the Commission under Rule 424 of the 1933 Act Regulations or at the Closing Date, contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Such counsel may also state that, except as otherwise expressly provided in such opinion, such counsel does not assume any responsibility for the accuracy, completeness or fairness of the statements contained in or incorporated by reference into the Registration Statement, the Pricing Disclosure Package or the Prospectus and does not express any opinion or belief as to (i) the financial statements or other financial and accounting data contained or incorporated by reference therein, including XBRL interactive data, (ii) the statements of the eligibility and qualification of the Trustees included in the Registration Statement (the "Forms T-1 and T-2") or (iii) the information in the Prospectus Supplement under the caption "Book-Entry System."

In rendering the foregoing opinion, such counsel may state that such counsel does not express any opinion concerning any law other than the law of the State of North Carolina and may rely as to all matters of the law of the State of South Carolina on the opinion of Karol P. Mack, Esq., Assistant Secretary of the Corporation (or other appropriate counsel reasonably satisfactory to the Representatives, which may include the Corporation's other "in-house" counsel). Such counsel may also state that he has relied as to certain factual matters on information obtained from public officials, officers of the Company and other sources believed by such counsel to be responsible.

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- (f) You shall have received an opinion of Robinson, Bradshaw & Hinson, P.A., counsel to the Company, dated the Closing Date, to the effect that:
- (i) The statements (i) under the caption “Description of First Mortgage Bonds” in the Base Prospectus and (ii) under the caption “Description of the Mortgage Bonds” in the Pricing Disclosure Package and the Prospectus, insofar as such statements purport to summarize certain provisions of the Mortgage and the Bonds, fairly summarize such provisions in all material respects.
  - (ii) No Governmental Approval, which has not been obtained or taken and is not in full force and effect, is required to authorize, or is required for, the execution or delivery of this Agreement by the Company or the consummation by the Company of the transactions contemplated hereby.
  - (iii) The Company is not and, solely after giving effect to the offering and sale of the Bonds and the application of the proceeds thereof as described in the Prospectus, will not be subject to registration and regulation as an “investment company” as such term is defined in the Investment Company Act of 1940, as amended.
  - (iv) The execution and delivery by the Company of this Agreement and the consummation by the Company of the transactions contemplated thereby, including the issuance and sale of the Bonds, will not violate or conflict with, or result in any contravention of, any Applicable Law of the State of North Carolina.
  - (v) The statements in the Pricing Disclosure Package and the Prospectus under the caption “Underwriting,” insofar as such statements purport to summarize certain provisions of this Agreement, fairly summarize such provisions in all material respects.

In rendering the foregoing opinions, Robinson, Bradshaw & Hinson, P.A. may state that (i) “Governmental Approval” means any consent, approval, license, authorization or validation of, or filing, qualification or registration with, any Governmental Authority required to be made or obtained by the Company pursuant to Applicable Laws, other than any consent, approval, license, authorization, validation, filing, qualification or registration that may have become applicable as a result of the involvement of any party (other than the Company) in the transactions contemplated by this Agreement or because of such parties’ legal or regulatory status or because of any other facts specifically pertaining to such parties; (ii) “Governmental Authorities” means any court, regulatory body, administrative agency or governmental body of the State of North Carolina having jurisdiction over the Company under Applicable Laws and the Federal Energy Regulatory Commission, but excluding the North Carolina Utilities Commission; and (iii) “Applicable Laws” means those

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laws, rules and regulations of the State of North Carolina that, in such counsel's experience, are normally applicable to transactions of the type contemplated by this Agreement (other than state securities or blue sky laws, antifraud laws, the rules and regulations of the Financial Industry Regulatory Authority, the North Carolina Public Utilities Act and the rules and regulations of the North Carolina Utilities Commission), but without such counsel having made any special investigation as to the applicability of any specific law, rule or regulation, and the Federal Power Act and the rules and regulations of the Federal Energy Regulatory Commission thereunder. In addition, such counsel may state that they have relied as to certain factual matters on information obtained from public officials, officers and representatives of the Company and that the signatures on all documents examined by them are genuine, assumptions which such counsel have not independently verified.

You shall also have received a statement of Robinson, Bradshaw & Hinson, P.A., dated the Closing Date, to the effect that:

(i) no facts have come to such counsel's attention that have caused such counsel to believe that the documents filed by the Company under the 1934 Act and the 1934 Act Regulations that are incorporated by reference in the preliminary prospectus supplement that forms a part of the Pricing Disclosure Package and the Prospectus, when filed, were not, on their face, appropriately responsive in all material respects to the requirements of the 1934 Act and the 1934 Act Regulations (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, compliance with XBRL interactive data requirements or the Forms T-1 and T-2) (ii) the Registration Statement, at the Applicable Time, and the Prospectus, as of its date, appeared on their face to be appropriately responsive in all material respects to the requirements of the 1933 Act and the 1933 Act Rules and Regulations (except that in each case such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, compliance with XBRL interactive data requirements or the Forms T-1 and T-2) and (iii) no facts have come to such counsel's attention that have caused such counsel to believe that the Registration Statement, at the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or that the Prospectus, as of the date of the Prospectus Supplement and as of the Closing Date, contained or contains an untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that in each case such counsel need not express any view as to the financial

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statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, including XBRL interactive data, or the statements contained in the exhibits to the Registration Statement, including the Form T-1 and the Form T-2). Such counsel shall further state that, in addition, no facts have come to such counsel's attention that have caused such counsel to believe that the Pricing Disclosure Package, as of the Applicable Time, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that such counsel need not express any view as to the financial statements, schedules and other financial and accounting information included or incorporated by reference therein or excluded therefrom, including XBRL interactive data, or the statements contained in the exhibits to the Registration Statement, including the Form T-1 and the Form T-2).

In addition, such statement shall confirm that the Prospectus has been filed with the Commission within the time period required by Rule 424 of the 1933 Act Regulations and any required filing of a Permitted Free Writing Prospectus pursuant to Rule 433 of the 1933 Act Regulations has been filed with the Commission within the time period required by Rule 433(d) of the 1933 Act Regulations. Such statement shall further state that assuming the accuracy of the representations and warranties of the Company set forth in Section 2 of this Agreement, the Registration Statement became effective upon filing with the Commission pursuant to Rule 462 of the 1933 Act Regulations and, pursuant to Section 309 of the 1939 Act, the Mortgage has been qualified under the 1939 Act, and that such counsel has been orally advised by the Commission that no stop order suspending the effectiveness of the Registration Statement has been issued and, to such counsel's knowledge, no proceedings for that purpose have been instituted or are pending or threatened by the Commission.

In addition, such counsel may state that such counsel does not pass upon, or assume any responsibility for, the accuracy, completeness or fairness of the statements contained or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus and has made no independent check or verification thereof (except to the limited extent referred to in Section 6(f)(i) above).

- (g) You shall have received an opinion of Sidley Austin LLP, counsel for the Underwriters, dated the Closing Date, with respect to such matters as you may reasonably request, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters. In giving their opinion, Sidley Austin LLP may rely on the opinion of Robert T. Lucas III, Esq. as to matters of North Carolina law and on the opinion of Karol P. Mack Esq., Assistant Secretary of the Corporation (or other appropriate counsel reasonably satisfactory to the Representatives) as to matters of South Carolina law.

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- (h) On or after the date hereof, there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally or of the securities of the Company or Duke Energy Corporation, on the New York Stock Exchange; or (ii) a general moratorium on commercial banking activities in New York declared by either Federal or New York State authorities or a material disruption in commercial banking services or securities settlement or clearance services in the United States; or (iii) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war, if the effect of any such event specified in this subsection (h) in your reasonable judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated in the Pricing Disclosure Package and the Prospectus. In such event there shall be no liability on the part of any party to any other party except as otherwise provided in Section 7 hereof and except for the expenses to be borne by the Company as provided in Section 5(j) hereof.
- (i) You shall have received a certificate of the Chairman of the Board, the President, any Vice President, the Secretary or an Assistant Secretary and any financial or accounting officer of the Company, dated the Closing Date, in which such officers, to the best of their knowledge after reasonable investigation, shall state that the representations and warranties of the Company in this Agreement are true and correct as of the Closing Date, that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Closing Date, that the conditions specified in Section 6(c) and Section 6(d) have been satisfied, and that no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or are threatened by the Commission.
- (j) At the time of the execution of this Agreement, you shall have received a letter dated such date, in form and substance satisfactory to you, from Deloitte & Touche LLP, the Company's independent registered public accounting firm, containing statements and information of the type ordinarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in or incorporated by reference into the Registration Statement, the Pricing Disclosure Package and the Prospectus, including specific references to inquiries regarding any change in capital stock, increase in long-term debt (excluding current maturities), decrease in net current assets (defined as current assets less current liabilities) or shareholder's equity, and decrease in operating revenues or net income for the period subsequent to the latest financial statements incorporated by reference in the Registration Statement when compared with the corresponding period from the preceding year, as of a specified date not more than three business days prior to the date of this Agreement.
- (k) At the Closing Date, you shall have received from Deloitte & Touche LLP, a letter dated as of the Closing Date, to the effect that they reaffirm the statements made in the letter furnished pursuant to subsection (j) of this Section, except that the specified date referred to shall be not more than three business days prior to the Closing Date.



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The Company will furnish you with such conformed copies of such opinions, certificates, letters and documents as you reasonably request.

7. *Indemnification.* (a) The Company agrees to indemnify and hold harmless each Underwriter, their respective officers and directors, and each person, if any, who controls any Underwriter within the meaning of Section 15 of the 1933 Act, as follows:

- (i) against any and all loss, liability, claim, damage and expense whatsoever arising out of any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement (or any amendment thereto) including the Rule 430B Information, or the omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein not misleading or arising out of any untrue statement or alleged untrue statement of a material fact contained in the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, or the omission or alleged omission therefrom of a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, unless such statement or omission or such alleged statement or omission was made in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus;
- (ii) against any and all loss, liability, claim, damage and expense whatsoever to the extent of the aggregate amount paid in settlement of any litigation, commenced or threatened, or of any claim whatsoever based upon any such untrue statement or omission or any such alleged untrue statement or omission, if such settlement is effected with the written consent of the Company; and
- (iii) against any and all expense whatsoever reasonably incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever based upon any such untrue statement or omission, or any such alleged untrue statement or omission, to the extent that any such expense is not paid under (i) or (ii) of this Section.

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In no case shall the Company be liable under this indemnity agreement with respect to any claim made against any Underwriter or any such controlling person unless the Company shall be notified in writing of the nature of the claim within a reasonable time after the assertion thereof, but failure so to notify the Company shall not relieve it from any liability which it may have otherwise than under subsections 7(a) and 7(b). The Company shall be entitled to participate at its own expense in the defense, or, if it so elects, within a reasonable time after receipt of such notice, to assume the defense of any suit brought to enforce any such claim, but if it so elects to assume the defense, such defense shall be conducted by counsel chosen by it and approved by the Underwriter or Underwriters or controlling person or persons, or defendant or defendants in any suit so brought, which approval shall not be unreasonably withheld. In any such suit, any Underwriter or any such controlling person shall have the right to employ its own counsel, but the fees and expenses of such counsel shall be at the expense of such Underwriter or such controlling person unless (i) the Company and such Underwriter shall have mutually agreed to the employment of such counsel, or (ii) the named parties to any such action (including any impleaded parties) include both such Underwriter or such controlling person and the Company and such Underwriter or such controlling person shall have been advised by such counsel that a conflict of interest between the Company and such Underwriter or such controlling person may arise and for this reason it is not desirable for the same counsel to represent both the indemnifying party and also the indemnified party (it being understood, however, that the Company shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for all such Underwriters and all such controlling persons, which firm shall be designated in writing by you). The Company agrees to notify you within a reasonable time of the assertion of any claim against it, any of its officers or directors or any person who controls the Company within the meaning of Section 15 of the 1933 Act, in connection with the sale of the Bonds.

- (b) Each Underwriter severally agrees that it will indemnify and hold harmless the Company, its directors and each of the officers of the Company who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the 1933 Act to the same extent as the indemnity contained in subsection (a) of this Section, but only with respect to statements or omissions made in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus, in reliance upon and in conformity with written information furnished to the Company by the Representatives on behalf of the Underwriters expressly for use in the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus. In case any action shall be brought against the Company or any person so indemnified based on the Registration Statement (or any amendment thereto), the Preliminary Prospectus, the Pricing Disclosure Package, the Prospectus (or any amendment or supplement thereto) or any Permitted Free Writing Prospectus and in respect of which indemnity may be sought against any Underwriter, such Underwriter shall have the rights and duties given to the Company, and the Company and each person so indemnified shall have the rights and duties given to the Underwriters, by the provisions of subsection (a) of this Section.

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- (c) No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding, and does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of any indemnified party.
- (d) If the indemnification provided for in this Section 7 is unavailable to or insufficient to hold harmless an indemnified party in respect of any and all loss, liability, claim, damage and expense whatsoever (or actions in respect thereof) that would otherwise have been indemnified under the terms of such indemnity, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such loss, liability, claim, damage or expense (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law or if the indemnified party failed to give the notice required above, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such loss, liability, claim, damage or expense (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company bear to the total compensation received by the Underwriters in respect of the underwriting discount as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contributions pursuant to this Section were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section. The amount paid or payable by an indemnified party as a result of the losses, liabilities, claims, damages or expenses (or actions in respect thereof) referred to above in this Section shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party

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in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section, no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Bonds underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute are several in proportion to their respective underwriting obligations and not joint.

8. *Default by One or More of the Underwriters.* (a) If any Underwriter shall default in its obligation to purchase the principal amount of the Bonds, which it has agreed to purchase hereunder on the Closing Date, you may in your discretion arrange for you or another party or other parties to purchase such Bonds, on the terms contained herein. If within thirty-six hours after such default by any Underwriter you do not arrange for the purchase of such Bonds, then the Company shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to you to purchase such Bonds on such terms. In the event that, within the respective prescribed periods, you notify the Company that you have so arranged for the purchase of such Bonds, or the Company notifies you that it has so arranged for the purchase of such Bonds, you or the Company shall have the right to postpone such Closing Date for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement, the Pricing Disclosure Package or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments to the Registration Statement, the Pricing Disclosure Package or the Prospectus which may be required. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Bonds.

- (b) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by you or the Company as provided in subsection (a) above, the aggregate amount of such Bonds which remains unpurchased does not exceed one-tenth of the aggregate amount of all the Bonds to be purchased at such Closing Date, then the Company shall have the right to require each non-defaulting Underwriter to purchase the amount of Bonds which such Underwriter agreed to purchase hereunder at such Closing Date and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the amount of Bonds which such Underwriter agreed to purchase hereunder) of the Bonds of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.
- (c) If, after giving effect to any arrangements for the purchase of the Bonds of a defaulting Underwriter or Underwriters by you or the Company as provided in subsection (a) above, the aggregate amount of such Bonds which remains unpurchased exceeds one-tenth of the aggregate amount of all the Bonds to be

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purchased at such Closing Date, or if the Company shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase the Bonds of a defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company as provided in Section 5(j) hereof and the indemnity and contribution agreement in Section 7 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

9. *Representations and Indemnities to Survive Delivery.* The respective indemnities, agreements, representations, warranties and other statements of the Company or its officers and of the several Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation, or statement as to the results thereof, made by or on behalf of any Underwriter or the Company, or any of its officers or directors or any controlling person, and will survive delivery of and payment for the Bonds.

10. *Reliance on Your Acts.* In all dealings hereunder, the Representatives shall act on behalf of each of the Underwriters, and the Company shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives.

11. *No Fiduciary Relationship.* The Company acknowledges and agrees that (a) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Company on the one hand, and the Underwriters on the other hand, (b) in connection with the offering contemplated hereby and the process leading to such transaction, each Underwriter is and has been acting solely as a principal and is not the agent or fiduciary of the Company or its shareholders, creditors, employees, or any other party, (c) no Underwriter has assumed or will assume an advisory or fiduciary responsibility in favor of the Company with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company on other matters) and no Underwriter has any obligation to the Company with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, (d) the Underwriters and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, and (e) the Underwriters have not provided any legal, accounting, regulatory or tax advice with respect to the transaction contemplated hereby and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

12. *Notices.* All communications hereunder will be in writing and, if sent to the Underwriters, will be mailed or telecopied and confirmed to Barclays Capital Inc., 745 Seventh Avenue, New York, NY 10019, Attention: Syndicate Registration (Fax no.: 646-834-8133), BNP Paribas Securities Corp., 787 Seventh Avenue, New York, New York 10019, Attention: Syndicate Desk - 7th Floor, Facsimile: (917) 472-4745, Credit Suisse Securities (USA) LLC, Eleven Madison Avenue, New York, NY 10010-3629, Attention: LCD-IBD and RBS Securities Inc., 600 Washington Boulevard, Stamford, CT 06901, Attention: Debt Capital Markets Syndicate (Fax no.: 203-873-4534), or if sent to the Company, will be mailed or telecopied and confirmed to it at 550 North Tryon Street, Charlotte, North Carolina 28202, Attention: W. Bryan Buckler, Assistant Treasurer, Telephone: (704) 382-2640, Facsimile: (704) 382-1124. Any such communications shall take effect upon receipt thereof.

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13. *Business Day.* As used herein, the term “business day” shall mean any day when the Commission’s office in Washington, D.C. is open for business.

14. *Successors.* This Agreement shall inure to the benefit of and be binding upon the Underwriters and the Company and their respective successors. Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any person, firm or corporation, other than the parties hereto and their respective successors and the controlling persons, officers and directors referred to in Section 7 and their respective successors, heirs and legal representatives, any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained; this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto and their respective successors and said controlling persons, officers and directors and their respective successors, heirs and legal representatives, and for the benefit of no other person, firm or corporation. No purchaser of Bonds from any Underwriter shall be deemed to be a successor or assign by reason merely of such purchase.

15. *Counterparts.* This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

16. *Applicable Law.* This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York.

If the foregoing is in accordance with your understanding, kindly sign and return to us two counterparts hereof, and upon confirmation and acceptance by the Underwriters, this letter and such confirmation and acceptance will become a binding agreement between the Company, on the one hand, and each of the Underwriters, on the other hand, in accordance with its terms.

Very truly yours,

CAROLINA POWER & LIGHT COMPANY D/B/A  
PROGRESS ENERGY CAROLINAS, INC.

By: /s/ W. Bryan Buckler

Name: W. Bryan Buckler

Title: Assistant Treasurer

The foregoing Underwriting Agreement is hereby  
confirmed and accepted as of the date first above written.

BARCLAYS CAPITAL INC.  
BNP PARIBAS SECURITIES CORP.  
CREDIT SUISSE SECURITIES (USA) LLC  
RBS SECURITIES INC.

On behalf of each of the Underwriters

BARCLAYS CAPITAL INC.

By: /s/ Rob Stowe

Name: Rob Stowe

Title: Managing Director

BNP PARIBAS SECURITIES CORP.

By: /s/ Jim Turner

Name: Jim Turner

Title: Managing Director

Head of Debt Capital Markets

CREDIT SUISSE SECURITIES (USA) LLC

By: /s/ Ted Michaels

Name: Ted Michaels

Title: Director

RBS SECURITIES INC.

By: /s/ Okwudiri Onyedum

Name: Okwudiri Onyedum

Title: Managing Director

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**SCHEDULE A**

<u>Underwriter</u>	<u>Principal Amount of Bonds to be Purchased</u>
BARCLAYS CAPITAL INC.	\$ 95,000,000
BNP PARIBAS SECURITIES CORP.	95,000,000
CREDIT SUISSE SECURITIES (USA) LLC	95,000,000
RBS SECURITIES INC.	95,000,000
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LIMITED (WITH CICC US SECURITIES, INC. ACTING AS ITS SELLING AGENT IN THE UNITED STATES)	40,000,000
KEYBANC CAPITAL MARKETS INC.	20,000,000
PNC CAPITAL MARKETS LLC	20,000,000
U.S. BANCORP INVESTMENTS, INC.	20,000,000
THE WILLIAMS CAPITAL GROUP, L.P.	20,000,000
<b>Total</b>	<b>\$ 500,000,000</b>



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## **SCHEDULE B**

### **PRICING DISCLOSURE PACKAGE**

- 1) Base Prospectus
- 2) Preliminary Prospectus Supplement dated March 7, 2013
- 3) Permitted Free Writing Prospectuses
  - a) Pricing Term Sheet attached as Schedule C hereto

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**SCHEDULE C**

*Filed pursuant to Rule 433  
March 7, 2013  
Relating to  
Preliminary Prospectus Supplement dated March 7, 2013 to  
Prospectus dated March 1, 2012  
Registration Statement No. 333-179835-02*

**Carolina Power & Light Company  
d/b/a Progress Energy Carolinas, Inc.  
First Mortgage Bonds,  
\$500,000,000 4.10% Series due 2043**

Pricing Term Sheet

Issuer:	Carolina Power & Light Company d/b/a Progress Energy Carolinas, Inc.
Trade Date:	March 7, 2013
Settlement Date:	March 12, 2013; T + 3
Interest Payment Dates:	March 15 and September 15, beginning on September 15, 2013
Security Description:	First Mortgage Bonds, 4.10% Series due 2043
Principal Amount:	\$500,000,000
Maturity Date:	March 15, 2043
Issue Price:	99.265% of Principal Amount
Coupon:	4.10%
Benchmark Treasury:	2.75% due November 15, 2042
Benchmark Treasury Yield:	3.213%
Spread to Benchmark Treasury:	+93 bps
Yield to Maturity:	4.143%
Redemption Provisions/ Make-Whole Call:	At any time before six months prior to maturity, redeemable at the Treasury Rate +15 bps. At any time on or after six months prior to maturity, redeemable at par.
CUSIP / ISIN:	144141 DD7 / US144141DD73
Joint Book-Running Managers:	Barclays Capital Inc. BNP Paribas Securities Corp. Credit Suisse Securities (USA) LLC RBS Securities Inc.

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Senior Co-Manager	China International Capital Corporation Hong Kong Securities Limited (with CICC US Securities, Inc. acting as its selling agent in the United States)
Co-Managers:	KeyBanc Capital Markets Inc. PNC Capital Markets LLC U.S. Bancorp Investments, Inc. The Williams Capital Group, L.P.

The Issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the Issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the Issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling Barclays Capital Inc. toll free at (888)-603-5847, BNP Paribas Securities Corp. at (800) 854-5674, Credit Suisse Securities (USA) LLC at (800) 221-1037, or RBS Securities Inc. toll free at (866) 884-2071.

Material Agreements

None