



**Florida Power**

A Progress Energy Company

ASSOCIATE GENERAL COUNSEL

**ORIGINAL**

**JAMES A. MCGEE**

April 1, 2002

Ms. Blanca S. Bayó, Director  
Division of the Commission Clerk  
and Administrative Services  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

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COMMISSION  
CLERK

Re: Docket No. 001430-EI

Dear Ms. Bayó:

Enclosed for filing in the subject docket are an original and fifteen copies of Florida Power Corporation's Consummation Report and exhibits.

Please acknowledge your receipt of the above filing on the enclosed copy of this letter and return to the undersigned. Also enclosed is a 3.5 inch diskette containing the above-referenced document in Word and Excel format. Thank you for your assistance in this matter.

Very truly yours,

James A. McGee

JAM/scc  
Enclosure

AUS \_\_\_\_\_  
CAF \_\_\_\_\_  
CMP \_\_\_\_\_  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
ECR \_\_\_\_\_  
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*D. Draper*

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03697 APR -1 02  
FPSC-COMMISSION CLERK

DOCKET NO.001430-EI

FLORIDA PUBLIC SERVICE COMMISSION

TALLAHASSEE, FLORIDA

CONSUMMATION REPORT

TO

APPLICATION OF

FLORIDA POWER CORPORATION

FOR AUTHORITY TO ISSUE AND SELL

SECURITIES DURING 2001

PURSUANT TO FLORIDA STATUTES, SECTION 366.04

AND RULE 25-8, FLORIDA ADMINISTRATIVE CODE

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Address communications in connection with this Consummation Report to:

James A. McGee  
Associate General Counsel  
Post Office Box 14042  
St. Petersburg, Florida 33733

Dated: April 1, 2002

DOCUMENT NUMBER-DATE

03697 APR-18

FPSC-COMMISSION CLERK

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

In Re: APPLICATION OF FLORIDA POWER )  
CORPORATION FOR AUTHORITY TO )  
ISSUE AND SELL SECURITIES DURING ) DOCKET NO. 001430-EI  
2000 PURSUANT TO FLORIDA STATUTES )  
SECTION 366.04 AND CHAPTER 25-8, )  
FLORIDA ADMINISTRATIVE CODE )

The Applicant, Florida Power Corporation (the “Company”), pursuant to Commission Order No. PSC-00-2272-FOF-EI issued on November 29, 2000, (the “Order”), hereby files its Consummation Report as required by the terms of such Order and pursuant to Rule 25-8.009, Florida Administrative Code.

The Company did not issue any medium-term notes, first mortgage bonds or other debt or equity securities during calendar year 2001, except for (i) commercial paper; (ii) notes that were delivered to various banks to evidence the Company’s new short-term revolving credit agreement (although no funds were actually borrowed by the Company under those notes and that credit agreement); (iii) \$300 million aggregate principal amount of First Mortgage Bonds, and (iv) a note that was delivered to evidence loans to Florida Power Corporation from the Utility Money Pool established pursuant to a Utility Money Pool Agreement, dated as of December 4, 2000 by and among Progress Energy Inc., a North Carolina Corporation and a registered holding company under the Public Utility Holding Company Act of 1935, as amended, and its utility subsidiaries, including Florida Power Corporation.

The Company regularly issues commercial paper for terms up to but not exceeding 270 days from the date of issuance. The commercial paper is issued pursuant to a Commercial Paper Dealer Agreement dated December 22, 1988 with Merrill Lynch Money Markets Inc., as amended by a Letter Agreement dated November 18, 1997(the “Merrill CP Agreement”), and a

Letter Agreement dated November 20, 1992 with Banc One Capital Markets, Inc., (successor to First Chicago Capital Markets, Inc.), as amended by a Letter Agreement dated December 4, 1997 (the "Banc One CP Agreement"). The commercial paper is sold at a discount, including the underwriting discount of the commercial paper dealer, at a rate comparable to interest rates being paid in the commercial paper market by borrowers of similar creditworthiness. Given the frequency of these sales, it is not practicable to give the details of each issue. However, the Company's 2001 commercial paper activity can be summarized as follows:

2001 Commercial Paper Activity  
(\$ in thousands)

Commercial paper issued:	\$4,237,400
Commercial paper matured:	\$4,475,500
Average outstanding:	\$233,775
Weighted average yield:	4.205%
Weighted average term:	24.29 Days

As back-up for its commercial paper program, the Company has executed (i) a 364-Day Credit Agreement dated as of December 18, 2001 with Bank of America, N.A. as agent for the lenders named therein, providing for short-term loans to the Company in an aggregate principal amount not exceeding \$170,000,000 ("the Short-Term Credit Agreement"), and (ii) a First Amendment, dated November 14, 2000, to a Third Amended and Restated Credit Agreement B with The Chase Manhattan Bank, as agent for the lenders named therein, dated as of November 17, 1998, providing for long-term loans to the Company in the aggregate principal amount not exceeding \$200,000,000 ("Credit Agreement B"). The terms of the Short-Term Credit Agreement and Credit Agreement B expire on December 17, 2002 and November 30, 2003, respectively. No loans have as yet been made to the Company pursuant to the Credit



Agreements. For accounting purposes, the Company classifies monies borrowed under, and commercial paper backed by, Credit Agreement B as long-term debt.

On July 10, 2001, the Company issued \$300 million principal amount of First Mortgage Bonds due 2011 with a coupon of 6.650%. Net proceeds from the issuance totaled \$296,362,038, and were primarily used to retire commercial paper. Expenses of the issuance, including underwriters' fees, totaled \$3,208,961.

The Utility Money Pool was established to coordinate and provide for certain short-term cash and working capital requirements of the utility subsidiaries of Progress Energy, Inc. Each utility subsidiary may contribute funds to the Utility Money Pool. No loans through the Utility Money Pool will be made to and no borrowings through the Utility Money Pool will be made by Progress Energy, Inc. The principal amount of each loan from the Utility Money Pool, together with all interest accrued thereon, are to be repaid on demand and in any event within 365 days of the date on which the loan was made. The Company had maximum borrowings of \$70,321,266 from the Utility Money Pool during 2001. As of December 31, 2001, the Company had no outstanding borrowings from the Utility Money Pool.

A statement showing capitalization, pretax interest coverage, and debt interest and preferred stock dividend requirements at December 31, 2001 is attached hereto as Exhibit 1.

Additional details concerning the foregoing are contained in the following exhibits filed herewith (with the exhibit numbers corresponding to the applicable paragraph number of Chapter 25-8, Rule 25-8.009 of the Florida Administrative Code):

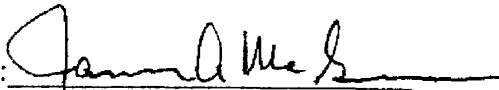
<u>Exhibit No.</u>	<u>Description of Exhibit</u>
(1)	Statement showing actual capitalization and pre-tax interest coverage, together with debt interest and preferred stock dividend requirements as of December 31, 2001.
(a)-1	The Company has entered into a Thirty-Ninth Supplemental Indenture, dated as of July 1, 2001, to its Indenture, dated January 1, 1944, as supplemented, (the "Mortgage"), with First Chicago Trust Company of New York, as successor Trustee, in connection with the issuance of the Company's First Mortgage Bonds, 6.650% Series due 2011.
(a)-2	364-Day Credit Agreement dated as of December 18, 2001 between the Company, the Lenders named therein, and Bank of America, N.A., as agent for the Lenders.
(a)-3	Third Amended and Restated Credit Agreement B dated as of November 17, 1998, between the Company, the Lenders named therein and Chase, as agent for the Lenders. (Filed as Exhibit (a)-2 to the Company's Consummation Report dated March 30, 1999, as filed with the Commission on March 31, 1999 in Docket No.971311-EI, and incorporated herein by reference).
(a)-4	First Amendment, dated November 14, 2000, to a Third Amended and Restated Credit Agreement B dated as of November 17, 1998 between the Company, the Lenders named therein, and Chase, as agent for the Lenders. (Filed as Exhibit (a)-3 to the Company's Consummation Report dated April 2, 2001 in Docket No. 991525-E1, and incorporated herein by reference.)
(a)-5	Commercial Paper Issuer memorandum dated November 17, 1998 of Merrill Lynch Money Markets Inc. (Filed as Exhibit (a)-3 to the Company's Consummation Report dated March 30, 1999, as filed with the Commission on March 31, 1999 in Docket No. 97-1311-EI, and incorporated herein by reference).
(a)-6	Commercial Paper Offering Memorandum dated August 11, 1999 of Banc One Capital Markets, Inc. (successor to First Chicago Capital Markets, Inc.). (Filed as Exhibit (a)-5 to the Company's Consummation Report dated March 22, 2000, as filed with the Commission on March 23, 2000 in Docket No. 981268-EI, and incorporated herein by reference.
(a)-7	Utility Money Pool Agreement dated December 4, 2000 between Progress Energy, Inc., Carolina Power & Light Company, a North Carolina Corporation, North Carolina Natural Gas Corporation, a Delaware Corporation, Florida Power Corporation, and Progress Service Energy Company, LLC (solely as Administrator).

- (b)-1 Opinion of R. Alexander Glenn, Associate General of the Company, regarding the legality of the issuance of \$300 million principal amount of the Company's First Mortgage Bonds, 6.650% series due 2011.
- (b)-2 Opinion of Hunton & Williams, Counsel to the Company, regarding the legality of the issuance of \$300 million principal amount of the Company's First Mortgage Bonds, 6.650% series due 2011.
- (d)-1 Commercial Paper Dealer Agreement dated December 22, 1998 between the Company and Merrill Lynch Money Markets Inc. (Filed as Exhibit (d)-1 to the Company's Consummation Report dated March 26, 1997, as filed with the Commission in Docket No. 951229-EI on March 27, 1997, and incorporated herein by reference.)
- (d)-2 Letter Agreement dated November 18, 1997 from the Company to Merrill Lynch Money Markets, Inc. regarding the increase in the maximum amount of Commercial Paper outstanding from \$400 to \$500 million. (Filed as Exhibit (d)-2 to the Company's Consummation Report dated September 18, 1997 as filed with the Commission on September 22, 1997 in Docket No. 961216-EI and incorporated herein by reference.)
- (d)-3 Letter Agreement dated November 20, 1992 between the Company and Banc One Capital Markets, Inc. (successor to First Chicago Capital Markets, Inc.) relating to the Company's commercial paper. (Filed as Exhibit (d)-2 to the Company's Consummation Report dated March 26, 1997, as filed with the Commission in Docket No. 951229-EI on March 27, 1997, and incorporated herein by reference.)
- (d)-4 Letter dated December 4, 1997 from the Company to Banc One Capital Markets, Inc. (successor to First Chicago Capital Markets, Inc.) regarding increase in maximum amount of Commercial Paper outstanding from \$400 to \$500 million. (Filed as Exhibit (d)-2 to the Company's Consummation Report dated September 18, 1997 as filed with the Commission on September 22, 1997 in Docket No. 961216-EI and incorporated herein by reference).
- (d)-5 Underwriting Agreement, dated July 10, 2001, by and between the Company and Banc of America Securities LLC, as representative of the several underwriters, in connection with the offering of \$300,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 6.650% Series due 2011.

- (e) Statement as to Underwriter's Fees incurred in connection with the offering of \$300,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 6.650% Series due 2011.

Respectively submitted this  
1st day of April, 2002.

FLORIDA POWER CORPORATION

By:   
James A. McGee  
Associate General Counsel

116404

EXHIBIT 1

FLORIDA POWER CORPORATION  
SELECTED FINANCIAL DATA

CAPITALIZATION:

Florida Power's capitalization at December 31, 2001:

Debt:	Interest Rate	Amount Outstanding (in millions)
First Mortgage bonds		
Maturing 2003 through 2023	6.83% (a)	\$ 810.0
Pollution control refunding revenue bonds		
Maturing 2014 through 2027	6.59% (a)	\$ 240.9
Medium-term notes		
Maturing 2001 through 2028	6.73% (a)	\$ 449.1
Commercial paper, supported by revolver		
Maturing 11/30/2003	2.54% (a)	\$ 154.3
Discount being amortized over term of bonds		\$ (2.9)
Total long-term debt		\$ 1,651.4
Notes payable		\$ -
Total debt		\$ 1,651.4

Preferred stock:

Without sinking funds, not subject to mandatory redemption:

	Dividend Rate	Current Redemption Price	Shares Outstanding	
	4.00% Series	\$ 104.25	39,980	\$ 4.0
	4.40% Series	\$ 102.00	75,000	\$ 7.5
	4.58% Series	\$ 101.00	99,990	\$ 10.0
	4.60% Series	\$ 103.25	39,997	\$ 4.0
	4.75% Series	\$ 102.00	80,000	\$ 8.0
<b>Total preferred stock</b>			<u>334,967</u> (b)	<u>\$ 33.5</u>
<b>Common stock equity</b>				<u>\$ 2,031.6</u>
<b>Total capitalization</b>				<u>\$ 3,716.5</u>

(a) Weighted average interest rate at December 31, 2001

(b) Total authorized shares outstanding at December 31, 2001: 335,000

EXHIBIT 1

FLORIDA POWER CORPORATION  
SELECTED FINANCIAL DATA

PRE-TAX INTEREST COVERAGE:

Florida Power's pre-tax interest coverage for 2001 was 5.3

DEBT INTEREST:

Florida Power's debt interest charges for 2001 were \$ 114.7 million.

PREFERRED STOCK DIVIDEND REQUIREMENTS:

Florida Power's preferred stock dividend requirements for 2001 were \$ 1.5 million

This instrument was prepared  
under the supervision of:  
**R. Alexander Glenn, Associate General Counsel**  
**Florida Power Corporation**  
**One Progress Plaza**  
**St. Petersburg, Florida 33701**

FLORIDA POWER CORPORATION  
TO  
FIRST CHICAGO TRUST COMPANY  
OF NEW YORK, TRUSTEE.

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THIRTY-NINTH  
SUPPLEMENTAL INDENTURE

Dated as of July 1, 2001

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This is a security agreement covering personal property as  
well as a mortgage upon real estate and other property.

SUPPLEMENT TO INDENTURE  
DATED AS OF JANUARY 1, 1944, AS SUPPLEMENTED.

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**EXHIBITS:**

Exhibit A - Recording Information   A-1

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## RECITALS

**SUPPLEMENTAL INDENTURE**, dated as of the 1st day of July, 2001, made and entered into by and between **FLORIDA POWER CORPORATION**, a corporation of the State of Florida (hereinafter sometimes called the "Company"), party of the first part, and **FIRST CHICAGO TRUST COMPANY OF NEW YORK**, a New York trust company, whose post office address is 14 Wall Street, New York, New York 10005 (hereinafter sometimes called the "Trustee"), as Trustee, party of the second part.

**WHEREAS**, the Company has heretofore executed and delivered an indenture of mortgage and deed of trust, titled the Indenture, dated as of January 1, 1944, and the same has been recorded in the public records of the counties listed on Exhibit A hereto, on the dates and in the official record books and at the page numbers listed thereon, and for the purpose of preventing the extinguishment of said Indenture under Chapter 712, Florida Statutes, the above-referred-to Indenture applicable to each county in which this instrument is recorded is hereby incorporated herein and made a part hereof by this reference thereto (said Indenture is hereinafter referred to as the "Original Indenture" and with the below-mentioned thirty-eight Supplemental Indentures and this Supplemental Indenture and all other indentures, if any, supplemental to the Original Indenture collectively referred to as the "Indenture"), in and by which the Company conveyed and mortgaged to the Trustee certain property therein described to secure the payment of all bonds of the Company to be issued thereunder in one or more series; and

**WHEREAS**, pursuant to and under the terms of the Original Indenture, the Company issued \$16,500,000 First Mortgage Bonds, 3 3/8% Series due 1974; and

**WHEREAS**, subsequent to the date of the execution and delivery of the Original Indenture, the Company has from time to time executed and delivered thirty-eight indentures supplemental to the Original Indenture (collectively, the "Supplemental Indentures"), providing for the creation of additional series of bonds secured by the Original Indenture and/or for amendment of certain terms and provisions of the Original Indenture and of indentures supplemental thereto, such Supplemental Indentures, and the purposes thereof, being as follows:

<u>Supplemental Indenture and Date</u>	<u>Providing for:</u>
<i>First</i> July 1, 1946	\$4,000,000 First Mortgage Bonds, 2 7/8% Series due 1974
<i>Second</i> November 1, 1948	\$8,500,000 First Mortgage Bonds, 3 1/4% Series due 1978
<i>Third</i> July 1, 1951	\$14,000,000 First Mortgage Bonds, 3 3/8% Series due 1981
<i>Fourth</i> November 1, 1952	\$15,000,000 First Mortgage Bonds, 3 3/8% Series due 1982
<i>Fifth</i> November 1, 1953	\$10,000,000 First Mortgage Bonds, 3 5/8% Series due 1983
<i>Sixth</i> July 1, 1954	\$12,000,000 First Mortgage Bonds, 3 1/8% Series due 1984

<b>Supplemental Indenture and Date</b>	<b>Providing for:</b>
<i>Seventh</i> July 1, 1956	\$20,000,000 First Mortgage Bonds, 3 7/8% Series due 1986, and amendment of certain provisions of the Original Indenture
<i>Eighth</i> July 1, 1958	\$25,000,000 First Mortgage Bonds, 4 1/8% Series due 1988, and amendment of certain provisions of the Original Indenture
<i>Ninth</i> October 1, 1960	\$25,000,000 First Mortgage Bonds, 4 3/4% Series due 1990
<i>Tenth</i> May 1, 1962	\$25,000,000 First Mortgage Bonds, 4 1/4% Series due 1992
<i>Eleventh</i> April 1, 1965	\$30,000,000 First Mortgage Bonds, 4 5/8% Series due 1995
<i>Twelfth</i> November 1, 1965	\$25,000,000 First Mortgage Bonds, 4 7/8% Series due 1995
<i>Thirteenth</i> August 1, 1967	\$25,000,000 First Mortgage Bonds, 6 1/8% Series due 1997
<i>Fourteenth</i> November 1, 1968	\$30,000,000 First Mortgage Bonds, 7% Series due 1998
<i>Fifteenth</i> August 1, 1969	\$35,000,000 First Mortgage Bonds, 7 7/8% Series due 1999
<i>Sixteenth</i> February 1, 1970	Amendment of certain provisions of the Original Indenture
<i>Seventeenth</i> November 1, 1970	\$40,000,000 First Mortgage Bonds, 9% Series due 2000
<i>Eighteenth</i> October 1, 1971	\$50,000,000 First Mortgage Bonds, 7 3/4% Series due 2001
<i>Nineteenth</i> June 1, 1972	\$50,000,000 First Mortgage Bonds, 7 3/8% Series due 2002
<i>Twentieth</i> November 1, 1972	\$50,000,000 First Mortgage Bonds, 7 1/4% Series A due 2002
<i>Twenty-First</i> June 1, 1973	\$60,000,000 First Mortgage Bonds, 7 3/4% Series due 2003
<i>Twenty-Second</i> December 1, 1973	\$70,000,000 First Mortgage Bonds, 8% Series A due 2003
<i>Twenty-Third</i> October 1, 1976	\$80,000,000 First Mortgage Bonds, 8 3/4% Series due 2006
<i>Twenty-Fourth</i> April 1, 1979	\$40,000,000 First Mortgage Bonds, 6 3/4-6 7/8% Series due 2004-2009
<i>Twenty-Fifth</i> April 1, 1980	\$100,000,000 First Mortgage Bonds, 13 5/8% Series due 1987
<i>Twenty-Sixth</i> November 1, 1980	\$100,000,000 First Mortgage Bonds, 13.30% Series A due 1990
<i>Twenty-Seventh</i> November 15, 1980	\$38,000,000 First Mortgage Bonds, 10-10 1/4% Series due 2000-2010

<b>Supplemental Indenture and Date</b>	<b>Providing for:</b>
<i>Twenty-Eighth</i> May 1, 1981	\$50,000,000 First Mortgage Bonds, 9 1/4% Series A due 1984
<i>Twenty-Ninth</i> September 1, 1982	Amendment of certain provisions of the Original Indenture
<i>Thirtieth</i> October 1, 1982	\$100,000,000 First Mortgage Bonds, 13 1/8% Series due 2012
<i>Thirty-First</i> November 1, 1991	\$150,000,000 First Mortgage Bonds, 8 5/8% Series due 2021
<i>Thirty-Second</i> December 1, 1992	\$150,000,000 First Mortgage Bonds, 8% Series due 2022
<i>Thirty-Third</i> December 1, 1992	\$75,000,000 First Mortgage Bonds, 6 1/2% Series due 1999
<i>Thirty-Fourth</i> February 1, 1993	\$80,000,000 First Mortgage Bonds, 6-7/8% Series due 2008
<i>Thirty-Fifth</i> March 1, 1993	\$70,000,000 First Mortgage Bonds, 6-1/8% Series due 2003
<i>Thirty-Sixth</i> July 1, 1993	\$110,000,000 First Mortgage Bonds, 6% Series due 2003
<i>Thirty-Seventh</i> December 1, 1993	\$100,000,000 First Mortgage Bonds, 7% Series due 2023
<i>Thirty-Eighth</i> July 25, 1994	Appointment of First Chicago Trust Company of New York as successor Trustee and resignation of former Trustee and Co-Trustee

**WHEREAS**, the Supplemental Indentures have each been recorded in the public records of the counties listed on Exhibit A hereto, on the dates and in the official record books and at the page numbers listed thereon; and

**WHEREAS**, subsequent to the date of the execution and delivery of the Thirty-Eighth Supplemental Indenture the Company has purchased, constructed or otherwise acquired certain property hereinafter referred to, and the Company desires by this Supplemental Indenture to confirm the lien of the Original Indenture on such property; and

**WHEREAS**, the Company desires by this Supplemental Indenture to create a new series of bonds to be designated as First Mortgage Bonds, 6.650% Series due 2011 (sometimes herein called the "New Series Bonds"), to be issued under the Original Indenture pursuant to Section 2.01 of the Original Indenture, and also desires to deliver to the Trustee prior to or simultaneously with the authentication and delivery of the initial issue of Three Hundred Million Dollars (\$300,000,000) principal amount of New Series Bonds pursuant to Section 4.05 of the Original Indenture the documents and instruments required by said section; and

**WHEREAS**, the Company in the exercise of the powers and authority conferred upon and reserved to it under and by virtue of the Indenture, and pursuant to the resolutions of its Board of

Directors (as defined in the Indenture, which definition includes any duly authorized committee of the Board of Directors, including the First Mortgage Bond Indenture Committee of the Board of Directors) has duly resolved and determined to make, execute and deliver to the Trustee a Supplemental Indenture in the form hereof for the purposes herein provided; and

**WHEREAS**, all conditions and requirements necessary to make this Supplemental Indenture a valid, binding and legal instrument in accordance with its terms have been done, performed and fulfilled, and the execution and delivery hereof have been in all respects duly authorized;

**NOW, THEREFORE, THIS SUPPLEMENTAL INDENTURE WITNESSETH:** That Florida Power Corporation, in consideration of the premises and of One Dollar (\$1.00) and other good and valuable consideration to it duly paid by the Trustee at or before the ensembling and delivery of these presents, the receipt whereof is hereby acknowledged, and in order to secure the payment of both the principal of and interest and premium, if any, on the bonds from time to time issued and to be issued under the Indenture, according to their tenor and effect, does hereby confirm the grant, sale, resale, conveyance, assignment, transfer, mortgage and pledge of the property described in the Original Indenture and the Supplemental Indentures (except such properties or interests therein as may have been released or sold or disposed of in whole or in part as permitted by the provisions of the Original Indenture), and hath granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and by these presents doth grant, bargain, sell, release, convey, assign, transfer, mortgage, pledge, set over and confirm unto First Chicago Trust Company of New York, as Trustee, and to its successors in the trust and to its successors and assigns, forever, all property, real, personal and mixed, tangible and intangible, owned by the Company on the date of the execution of this Supplemental Indenture or which may be hereafter acquired by it, including (but not limited to) all property which it has acquired subsequent to the date of execution of the Thirty-Eighth Supplemental Indenture and situated in the State of Florida, including without limitation the property described on **Exhibit B** hereto (in all cases, except such property as is expressly excepted by the Original Indenture from the lien and operation thereof); and without in any way limiting or impairing by the enumeration of the same the scope and intent of the foregoing, all lands, power sites, flowage rights, water rights, water locations, water appropriations, ditches, flumes, reservoirs, reservoir sites, canals, raceways, dams, dam sites, aqueducts and all other rights or means for appropriating, conveying, storing and supplying water; all rights of way and roads; all plants for the generation of electricity by steam, water and/or other power; all power houses, facilities for utilization of natural gas, street lighting systems, if any, standards and other equipment incidental thereto, telephone, radio and television systems, microwave systems, facilities for utilization of water, steam heat and hot water plants, if any, all substations, lines, service and supply systems, bridges, culverts, tracks, offices, buildings and other structures and equipment and fixtures thereof; all machinery, engines, boilers, dynamos, electric machines, regulators, meters, transformers, generators, motors, electrical and mechanical appliances, conduits, cables, pipes, fittings, valves and connections, poles (wood, metal and concrete), and transmission lines, wires, cables, conductors, insulators, tools, implements, apparatus, furniture, chattels, and choses in action; all municipal and other franchises, consents, licenses or permits; all lines for the distribution of electric current, gas, steam heat or water for any purpose including towers, poles (wood, metal and concrete), 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 use and

occupancy of the same (except as herein or in the Original Indenture or any of the Supplemental Indentures 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 Indenture and said Supplemental Indentures, described.

**IT IS HEREBY AGREED** by the Company that all the property, rights and franchises acquired by the Company after the date hereof (except any property herein or in the Original Indenture or any of the Supplemental Indentures expressly excepted) shall, subject to the provisions of Section 9.01 of the Original Indenture and to the extent permitted by law, be as fully embraced within the lien hereof as if such property, rights and franchises were now owned by the Company and/or specifically described herein and conveyed hereby.

**TOGETHER WITH** all and singular the tenements, hereditaments and appurtenances belonging or in any way appertaining to the aforesaid mortgaged property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 9.01 of the Original Indenture) 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 mortgaged property and every part and parcel thereof.

**TO HAVE AND TO HOLD THE SAME** unto First Chicago Trust Company of New York, the Trustee, and its successors in the trust and its assigns forever, but **IN TRUST NEVERTHELESS** upon the terms and trusts set forth in the Indenture, for the benefit and security of those who shall hold the bonds and coupons issued and to be issued under the Indenture, without preference, priority or distinction as to lien of any of said bonds and coupons over any others thereof by reason or priority in the time of the issue or negotiation thereof, or otherwise howsoever, subject, however, to the provisions of Sections 10.03 and 10.12 of the Original Indenture.

**SUBJECT, HOWEVER,** to the reservations, exceptions, conditions, limitations and restrictions contained in the several deeds, servitudes and contracts or other instruments through which the Company acquired, and/or claims title to and/or enjoys the use of the aforesaid properties; and subject also to encumbrances of the character defined in the Original Indenture as “excepted encumbrances” in so far as the same may attach to any of the property embraced herein.

Without derogating from the security and priority presently afforded by the Indenture and by law for all of the bonds of the Company that have been, are being, and may in the future be, issued pursuant to the Indenture, for purposes of obtaining any additional benefits and security provided by Section 697.04 of the Florida Statutes, the following provisions of this paragraph shall be applicable. The Indenture also shall secure the payment of both principal and interest and premium, if any, on the bonds from time to time hereafter issued pursuant to the Indenture, according to their tenor and effect, and the performance and observance of all the provisions of the Indenture (including any indentures supplemental thereto and any modification or alteration thereof made as therein provided), whether the issuance of such bonds may be optional or mandatory, and for any purpose, within twenty (20) years from the date of this Supplemental Indenture. The total amount of indebtedness secured by the Indenture may decrease or increase

from time to time, but the total unpaid balance so secured at any one time shall not exceed the maximum principal amount of \$2,500,000,000.00, plus interest and premium, if any, as well as any disbursements made for the payment of taxes, levies or insurance on the property encumbered by the Indenture, with interest on those disbursements, plus any increase in the principal balance as the result of negative amortization or deferred interest. For purposes of Section 697.04 of the Florida Statutes, the Original Indenture, as well as all of the indentures supplemental thereto that have been executed prior to the date of this Supplemental Indenture, are incorporated herein by this reference with the same effect as if they had been set forth in full herein.

And, upon the consideration hereinbefore set forth, the Company does hereby covenant and agree to and with the Trustee and its successors in trust under the Indenture for the benefit of those who shall hold bonds and coupons issued and to be issued under the Indenture, as follows:

## ARTICLE I

### THE NEW SERIES BONDS

**Section 1.** The Company hereby creates a new series of bonds, not limited in principal amount except as provided in the Original Indenture, to be issued under and secured by the Original Indenture, to be designated by the title "First Mortgage Bonds, 6.650% Series due 2011." The initial issue of the New Series Bonds shall consist of Three-Hundred Million Dollars (\$300,000,000) principal amount thereof. Subject to the terms of the Indenture, the principal amount of New Series Bonds is unlimited. The Company may, at its option in the future, issue additional New Series Bonds.

The New Series Bonds shall be issued only as registered bonds without coupons in the denomination of One Thousand Dollars (\$1,000) or any integral multiple thereof.

**Section 2.** (a) The New Series Bonds 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, a "New Series Global Bond") to or on behalf of The Depository Trust Company ("DTC"), as Depository therefor, and registered in the name of such Depository or its nominee. Any New Series Bonds 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 nominee) for such purpose shall bear the depository legends in substantially the form set forth at the top of the form of New Series Bonds in Section 4 hereof, unless otherwise agreed by 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 they shall agree, in each case such agreement to be confirmed in writing to the Trustee. Principal of, the Make-Whole Redemption Price (as defined below), if applicable, and interest on the New Series Bonds will be payable, the transfer of New Series Bonds will be registrable and New Series Bonds will be exchangeable for New Series Bonds bearing identical terms and provisions, at the office or agency of the Company in the Borough of Manhattan, The City and State of New York; *provided, however,* that payment of interest may be made at the option of the Company by check mailed to the registered holders thereof at their registered address; and *further provided, however,* that with respect to a New Series Global Bond, the Company may make payments of principal of, the Make-Whole Redemption Price, if applicable, and interest on

such New Series Global Bond pursuant to and in accordance with such arrangements as are agreed upon by the Company and the Depository for such New Series Global Bond. The New Series Bonds shall have the terms set forth in the form of the New Series Bond set forth in Section 4 hereof.

(b) Notwithstanding any other provision of this Section 2 or of Section 2.03 of the Original Indenture, except as contemplated by the provisions of paragraph (c) below, a New Series Global Bond may be transferred, in whole but not in part and in the manner provided in Section 2.03 of the Original Indenture, only to a nominee of the Depository for such New Series Global Bond, or to the Depository, or to a successor Depository for such New Series Global Bond selected or approved by the Company, or to a nominee of such successor Depository.

(c) (1) If at any time the Depository for a New Series Global Bond notifies the Company that it is unwilling or unable to continue as the Depository for such New Series Global Bond or if at any time the Depository for a New Series Global Bond shall no longer be eligible or in good standing under any applicable statute or regulation, the Company shall appoint a successor Depository with respect to such New Series Global Bond. If a successor Depository for such Global Bond is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company will execute, and the Trustee, upon receipt of a Company order for the authentication and delivery of New Series Bonds in the form of definitive certificates in exchange for such New Series Global Bond, will authenticate and deliver, without service charge, New Series Bonds in the form of definitive certificates of like tenor and terms in an aggregate principal amount equal to the principal amount of the New Series Global Bond in exchange for such New Series Global Bond. Such New Series Bonds will be issued to and registered in the name of such person or persons as are specified by the Depository.

(2) The Company may at any time and in its sole discretion determine that any New Series Bonds issued or issuable in the form of one or more New Series Global Bonds shall no longer be represented by such Global Bond or Bonds. In any such event the Company will execute, and the Trustee, upon receipt of a Company order for the authentication and delivery of New Series Bonds in the form of definitive certificates in exchange in whole or in part for such New Series Global Bond or Bonds, will authenticate and deliver, without service charge, to each person specified by the Depository, New Series Bonds in the form of definitive certificates of like tenor and terms in an aggregate principal amount equal to the principal amount of such New Series Global Bond or the aggregate principal amount of such New Series Global Bonds in exchange for such New Series Global Bond or Bonds.

(3) If the Company so elects in an officer's certificate, the Depository may surrender New Series Bonds issued in the form of a Global Bond in exchange in whole or in part for New Series Bonds in the form of definitive certificates of like tenor and terms on such terms as are acceptable to the Company and such Depository. Thereupon the Company shall execute, and the Trustee shall authenticate and deliver, without service charge, (A) to each person specified by such Depository a new New Series Bond or New Series Bonds of like tenor and terms and any authorized denomination as requested by such person in aggregate principal amount equal to and in exchange for such person's beneficial interest in the Global Bond; and (B) to such Depository a new New Series Global Bond of like tenor and terms and in an authorized denomination equal

to the difference, if any, between the principal amount of the surrendered Global Bond and the aggregate principal amount of Bonds delivered to holders thereof.

(4) In any exchange provided for in any of the preceding three subparagraphs, the Company shall execute and the Trustee shall authenticate and deliver New Series Bonds in the form of definitive certificates in authorized denominations. Upon the exchange of the entire principal amount of a New Series Global Bond for New Series Bonds in the form of definitive certificates, such New Series Global Bond shall be canceled by the Trustee. Except as provided in the immediately preceding subparagraph, New Series Bonds issued in exchange for a New Series Global Bond pursuant to this Section 2 shall be registered in such names and in such authorized denominations as the Depository for such New Series Global Bond, acting pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. Provided that the Company and the Trustee have so agreed, the Trustee shall deliver such New Series Bonds to the persons in whose names the New Series Bonds are so to be registered.

(5) Any endorsement of a New 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 Depository with respect to such New Series Global Bond or in the Company order delivered or to be delivered pursuant to Section 4.07 of the Original Indenture with respect thereto. Subject to the provisions of Section 4.07 of the Original Indenture, the Trustee shall deliver and redeliver any such 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 Depository with respect to such New Series Global Bond or in any applicable Company order. If a Company order pursuant to Section 4.07 of the Original Indenture is so delivered, any instructions by the Company with respect to such New Series Global Bond contained therein shall be in writing but need not be accompanied by or contained in an officer's certificate and need not be accompanied by an opinion of counsel.

(6) The Depository or, if there be one, its nominee, shall be the holder of a New Series Global Bond for all purposes under the Indenture and the New Series Bonds and beneficial owners with respect to such Global Bond shall hold their interests pursuant to applicable procedures of such Depository. The Company, the Trustee and any bond registrar shall be entitled to deal with such Depository for all purposes of the Indenture relating to such Global Bond (including the payment of principal, the Make-Whole Redemption Price, if applicable, and interest and the giving of instructions or directions by or to the beneficial owners of such Global Bond as the sole holder of such Global Bond and shall have no obligations to the beneficial owners thereof (including any direct or indirect participants in such Depository. None of the Company, the Trustee, any paying agent or bond registrar 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 in or pursuant to any applicable letter of representations or other arrangement entered into with, or procedures of, the Depository with respect to such New Series Global Bond or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.



**Section 3.** July 18, 2001 shall be the date of the beginning of the first interest period for the New Series Bonds. The New Series Bonds shall be dated as provided in Section 2.01 of the Original Indenture. The New Series Bonds shall be payable on July 15, 2011, in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts, and shall bear interest, payable in like coin or currency, at the rate of 6.650% per annum, payable semiannually on January 15 and July 15 of each year (each an “Interest Payment Date”) to the persons in whose names the New Series Bonds are registered at the close of business on the tenth calendar day next preceding the Interest Payment Date (i.e., January 5 and July 5, respectively) (each a “Regular Record Date”), *provided, however,* that so long as the New Series Bonds are registered in the name of DTC or its nominee, the Regular Record Date for interest payable shall be the close of business on the business day immediately preceding such Interest Payment Date (each subject to certain exceptions provided in this Supplemental Indenture and the Indenture), until maturity, according to the terms of the bonds or on prior redemption or by declaration or otherwise, and at the highest rate of interest borne by any of the bonds outstanding under the Indenture from such date of maturity until they shall be paid or payment thereof shall have been duly provided for. Principal of, the Make-Whole Redemption Price, if applicable, and interest on the New Series Bonds shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York; *provided, however,* that payment of interest may be made at the option of the Company by check mailed by the Company or its affiliate to the person entitled thereto at his registered address. If a due date for the payment of interest, principal, or the Make-Whole Redemption Price, if applicable, 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.

The New Series Bonds shall be redeemable at the option of the Company, from time to time, as a whole or in part, at a make-whole redemption price (the “Make-Whole Redemption Price”). The Make-Whole Redemption Price shall equal to the greater of (i) the principal amount of the New Series Bonds being redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the New Series Bonds being redeemed, discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield applicable to the New Series Bonds plus 30 basis points plus accrued interest to the redemption date.

“Treasury Yield” means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue for the New Series Bonds, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the New Series Bonds 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 comparable maturity to the remaining term of the New Series Bonds.

“Independent Investment Banker” means either Banc of America Securities LLC or Salomon Smith Barney Inc. or, if such firms are unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing selected by the Company and acceptable to the Trustee.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated “Composite 3:30 p.m. Quotations for U.S. Government Securities” or (ii) if that release (or any successor release) is not published or does not contain such prices on such business day, the average of the Reference Treasury Dealer Quotations for such redemption date.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, 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 Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such redemption date.

“Reference Treasury Dealer” means Banc of America Securities LLC, and Salomon Smith Barney Inc., and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government Securities dealer in New York City (a “Primary Treasury Dealer”), the Company shall substitute for it another Primary Treasury Dealer.

So long as the New Series Bonds are registered in the name of DTC, its nominee or a successor depository, if the Company elects to redeem less than all of the New Series Bonds, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in the New Series Bonds to be redeemed. At all other times, the Trustee shall draw by lot, in such manner as it deems appropriate, the particular New Series Bonds, or portions of them, to be redeemed.

The New Series Bonds shall also be redeemable, as a whole but not in part, at the Make-Whole Redemption Price in the event that (i) all the outstanding common stock of the Company shall be acquired by some governmental body or instrumentality and the Company elects to redeem all of the bonds of all series, the redemption date in any such event to be not more than one hundred twenty (120) days after the date on which all said stock is so acquired, or (ii) all or substantially all the mortgaged and pledged property constituting bondable property which at the time shall be subject to the lien of the Indenture as a first lien shall be released from the lien of the Indenture pursuant to the provisions thereof, and available moneys in the hands of the Trustee, including any moneys deposited by the Company available for the purpose, are sufficient to redeem all the bonds of all series at the redemption prices (together with accrued interest to the date of redemption) specified therein applicable to the redemption thereof upon the happening of such event.

Notice of redemption shall be given by mail not less than 30 nor more than 90 days prior to the date fixed for redemption to the holders of New Series Bonds to be redeemed (which, as long as the New Series Bonds are held in the book-entry only system, will be the Depository, its

nominee or a successor depository). On and after the date fixed for redemption (unless the Company defaults in the payment of the Make-Whole Redemption Price and interest accrued thereon to such date), interest on the New Series Bonds or the portions of them so called for redemption shall cease to accrue. If the Company elects to redeem any New Series Bonds, the Company will notify the Trustee of its election at least 45 days prior to the redemption date (or a shorter period acceptable to the Trustee) including in such notice, a reasonably detailed computation of the Make-Whole Redemption Price.

The New Series Bonds of the several denominations are exchangeable for a like aggregate principal amount of other New Series Bonds of other authorized denominations. Notwithstanding the provisions of Section 2.03 of the Original Indenture, for any exchange of New Series Bonds for other New Series Bonds of different authorized denominations, or for any transfer of New Series Bonds, the Company may require the payment of a sum sufficient to reimburse it for any tax or other governmental charge incident thereto only. The New Series Bonds may be presented for transfer or exchange at the corporate trust office of the Trustee in New York, New York.

**Section 4.** The New Series Bonds shall be substantially in the following form, with such inclusions, omissions, and variations as the Board of Directors of the Company may determine in accordance with the provisions of the Indenture:

[FORM OF NEW SERIES BONDS]

[Insert applicable depository legend or legends, which initially shall be the following:

THIS SECURITY IS A GLOBAL NOTE WITHIN THE MEANING OF THE INDENTURE 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 INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO FLORIDA POWER CORPORATION 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, 6.650% SERIES DUE 2011 MAY, UNDER CONDITIONS PROVIDED IN THE INDENTURE, BE EXCHANGED FOR FIRST MORTGAGE BONDS, 6.650% SERIES DUE 2011 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 TRUSTEE. ANY SUCH EXCHANGE SHALL BE MADE UPON RECEIPT BY THE TRUSTEE OF AN OFFICER'S CERTIFICATE THEREFOR AND A WRITTEN INSTRUCTION FROM THE DEPOSITARY SETTING FORTH THE NAME OR NAMES IN WHICH THE TRUSTEE IS TO REGISTER SUCH FIRST MORTGAGE BONDS, 6.650% SERIES DUE 2011 IN THE FORM OF DEFINITIVE CERTIFICATES.]

FLORIDA POWER CORPORATION  
(Incorporated under the laws of the State of Florida)

FIRST MORTGAGE BOND,  
6.650% SERIES DUE 2011  
DUE JULY 15, 2011

No. \_\_\_\_\_

\$300,000,000

**FLORIDA POWER CORPORATION**, a corporation of the State of Florida (hereinafter called the Company), for value received, hereby promises to pay to \_\_\_\_\_ or registered assigns, on \_\_\_\_\_ at the office or agency of the Company in the Borough of Manhattan, The City of New York, Three Hundred Million Dollars (\$300,000,000) in such coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts, and to pay interest thereon, semiannually on January 15 and July 15 of each year to the person in whose name this bond is registered at the close of business on the tenth calendar day next preceding the interest payment date (i.e., January 5 and July 5, respectively), *provided, however*, that so long as this bond is registered in the name of The Depository Trust Company or its nominee, the record date for interest payable on any interest payment date shall be the close of business on the business day immediately preceding such interest payment date (each subject to certain exceptions provided in the Mortgage hereinafter mentioned), at the rate of 6.650% per annum, at said office or agency in like coin or currency, from the date hereof until this bond shall mature, according to its terms or on prior redemption or by declaration or otherwise, and at the highest rate of interest borne by any of the bonds outstanding under the Mortgage hereinafter mentioned from such date of maturity until this bond shall be paid or the payment hereof shall have been duly provided for; *provided, however*, that payment of interest may be made at the option of the Company by check mailed by the Company or its affiliate to the person entitled thereto at his registered address. If a due date for the payment of interest, principal, or the Make-Whole Redemption Price, if applicable, 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.

Additional provisions of this bond are set forth on the reverse hereof and such provisions shall for all purposes have the same effect as though fully set forth at this place.

This bond shall not become valid or obligatory for any purpose until First Chicago Trust Company of New York, or its successor as Trustee under the Mortgage, shall have signed the certificate of authentication endorsed hereon.

**IN WITNESS WHEREOF, FLORIDA POWER CORPORATION** has caused this bond to be signed in its name by its President or one of its Vice Presidents by his signature or a facsimile thereof, and its corporate seal, or a facsimile thereof, to be affixed hereto and attested by its Secretary or one of its Assistant Secretaries by his signature or a facsimile thereof.

Dated: July \_\_, 2001

**FLORIDA POWER CORPORATION,**

By \_\_\_\_\_  
President

Attest:

\_\_\_\_\_

Secretary

[TEXT APPEARING ON REVERSE SIDE OF BOND]

FLORIDA POWER CORPORATION

FIRST MORTGAGE BOND  
6.650% SERIES DUE 2011  
DUE JULY 15, 2011

This bond is one of an issue of bonds of the Company (herein referred to as the bonds), not limited in principal amount except as provided in the Mortgage hereinafter mentioned, issuable in series, which different series may mature at different times, may bear interest at different rates, and may otherwise vary as provided in the Mortgage hereinafter mentioned, and is one of a series known as its First Mortgage Bonds, 6.650% Series due 2011 (herein referred to as the "Bonds of this Series"), all bonds of all series issued and to be issued under and equally and ratably secured (except insofar as any sinking or analogous fund, established in accordance with the provisions of the Mortgage hereinafter mentioned, may afford additional security for the bonds of any particular series) by an Indenture dated as of January 1, 1944 (herein, together with all indentures supplemental thereto including the Thirty-Ninth Supplemental Indenture dated as of July 1, 2001 between the Company and First Chicago Trust Company of New York, as Trustee, called the "Mortgage"), to which reference is made for the nature and extent of the security, the rights of the holders of bonds and of the Company in respect thereof, the rights, duties and immunities of the Trustee, and the terms and conditions upon which the bonds are,

and are to be, issued and secured. The Mortgage contains provisions permitting the holders of not less than seventy-five per centum (75%) in principal amount of all the bonds at the time outstanding, determined and evidenced as provided in the Mortgage, or in case the rights under the Mortgage of the holders of bonds of one or more, but less than all, of the series of bonds outstanding shall be affected, the holders of not less than seventy-five per centum (75%) in principal amount of the bonds at the time outstanding of the series affected, determined and evidenced as provided in the Mortgage, on behalf of the holders of all the bonds to waive any past default under the Mortgage and its consequences except a completed default, as defined in the Mortgage, in respect of the payment of the principal of or interest on any bond or default arising from the creation of any lien ranking prior to or equal with the lien of the Mortgage on any of the mortgaged and pledged property. The Mortgage also contains provisions permitting the Company and the Trustee, with the consent of the holders of not less than seventy-five per centum (75%) in principal amount of all the bonds at the time outstanding, determined and evidenced as provided in the Mortgage, or in case the rights under the Mortgage of the holders of bonds of one or more, but less than all, of the series of bonds outstanding shall be affected, then with the consent of the holders of not less than seventy-five per centum (75%) in principal amount of the bonds at the time outstanding of the series affected, determined and evidenced as provided in the Mortgage, to execute supplemental indentures adding any provisions to or changing in any manner or eliminating any of the provisions of the Mortgage or modifying in any manner the rights of the holders of the bonds and coupons; provided, however, that no such supplemental indenture shall (i) extend the fixed maturity of any bonds, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof, without the express consent of the holder of each bond so affected, or (ii) reduce the aforesaid percentage of bonds, the holders of which are required to consent to any such supplemental indenture, without the consent of the holders of all bonds then outstanding, or (iii) permit the creation of any lien ranking prior to or equal with the lien of the Mortgage on any of the mortgaged and pledged property, or (iv) deprive the holder of any outstanding bond of the lien of the Mortgage on any of the mortgaged and pledged property. Any such waiver or consent by the registered holder of this bond (unless effectively revoked as provided in the Mortgage) shall be conclusive and binding upon such holder and upon all future holders of this bond, irrespective of whether or not any notation of such waiver or consent is made upon this bond. No reference herein to the Mortgage and no provision of this bond or of the Mortgage shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this bond at the time and place and at the rate and in the coin or currency herein prescribed.

The Bonds of this Series are issuable in denominations of One Thousand Dollars (\$1,000) and any integral multiple thereof and are exchangeable for a like aggregate principal amount of Bonds of this Series of other authorized denominations. This bond is transferable as prescribed in the Mortgage by the registered holder hereof in person, or by his duly authorized attorney, at the office or agency of the Company in said Borough of Manhattan, The City of New York, upon surrender and cancellation of this bond, and upon payment, if the Company shall require it, of the transfer charges prescribed in the Thirty-Ninth Supplemental Indenture hereinabove referred to, and thereupon a new fully registered bond or bonds of authorized denominations of the same series and for the same aggregate principal amount will be issued to the transferee in exchange herefor as provided in the Mortgage. The Company and the Trustee, any paying agent and any bond registrar may deem and treat the person in whose name this bond is registered as the absolute owner hereof, whether or not this bond shall be overdue, for the purpose of receiving

payment and for all other purposes and neither the Company nor the Trustee nor any paying agent nor any bond registrar shall be affected by any notice to the contrary.

The Bonds of this Series may be redeemed, at the option of the Company, as a whole or from time to time in part, at a make-whole redemption price (the “Make-Whole Redemption Price”). The Make-Whole Redemption Price shall equal to the greater of (i) the principal amount of the Bonds of this Series being redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Bonds of this Series being redeemed, discounted to the redemption date on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield applicable to the New Series Bonds plus 30 basis points plus accrued interest to the redemption date.

“Treasury Yield” means, with respect to any redemption date, the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue for the Bonds of this Series, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for the redemption date.

“Comparable Treasury Issue” means the United States Treasury security selected by an Independent Investment Banker as having a maturity comparable to the remaining term of the Bonds of this Series 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 comparable maturity to the remaining term of the Bonds of this Series.

“Independent Investment Banker” means either Banc of America Securities LLC or Salomon Smith Barney Inc. or, if such firms are unwilling or unable to select the Comparable Treasury Issue, an independent investment banking institution of national standing selected by the Company and acceptable by the Trustee.

“Comparable Treasury Price” means, with respect to any redemption date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such redemption date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated “Composite 3:30 p.m. Quotations for U.S. Government Securities” or (ii) if that release (or any successor release) is not published or does not contain such prices on such business day, the average of the Reference Treasury Dealer Quotations for such Redemption Date.

“Reference Treasury Dealer Quotations” means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the Trustee, 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 Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such redemption date.

“Reference Treasury Dealer” means each of Banc of America Securities LLC and Salomon Smith Barney Inc., and their respective successors, *provided, however*, that if any of the foregoing shall cease to be a primary U.S. Government Securities dealer in New York City (a

“Primary Treasury Dealer”), the Company shall substitute for it another Primary Treasury Dealer.

So long as the Bonds of this Series are registered in the name of DTC, its nominees or a successor depository, if the Company elects to redeem less than all of the Bonds of this Series, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant of the DTC, in the Bonds of this Series to be redeemed. At all other times, the Trustee shall draw by lot, in such manner as it deems appropriate, the particular Bonds of this Series, or portions of them, to be redeemed.

All Bonds of this Series shall also be redeemable, as a whole but not in part, at the Make-Whole Redemption Price in the event (i) that all the outstanding common stock of the Company shall be acquired by some governmental body or instrumentality and the Company elects to redeem all the bonds of all series, the redemption date in any such event to be not more than one hundred twenty (120) days after the date on which all said stock is so acquired, or (ii) that all or substantially all the mortgaged and pledged property (constituting bondable property as defined in the Mortgage) which at the time shall be subject to the lien of the Mortgage as a first lien shall be released from the lien of the Mortgage pursuant to the provisions thereof, and available moneys in the hands of First Chicago Trust Company of New York or its successor as Trustee, including any moneys deposited by the Company for the purpose, are sufficient to redeem all the bonds of all series at the redemption prices (together with accrued interest to the date of redemption) specified therein applicable to the redemption thereof upon the happening of such event.

Notice of redemption shall be given by mail not less than 30 nor more than 90 days prior to the date fixed for redemption to the holders of Bonds of this Series to be redeemed (which, as long as the Bonds of this Series are held in the book-entry only system, will be the Depository, its nominee or a successor depository). On and after the date fixed for redemption (unless the Company defaults in the payment of the Make-Whole Redemption Price and interest accrued thereon to such date), interest on the Bonds of this Series or the portions of them so called for redemption shall cease to accrue. If the Company elects to redeem any Bonds of this Series, the Company will notify the Trustee of its election at least 45 days prior to the redemption date (or a shorter period acceptable to the Trustee) including in such notice, a reasonably detailed computation of the Make-Whole Redemption Price.

The Mortgage provides that if the Company shall deposit with First Chicago Trust Company of New York or its successor as Trustee in trust for the purpose funds sufficient to pay the principal of all the bonds of any series, or such of the bonds of any series as have been or are to be called for redemption (including any portions, constituting \$1,000 or an integral multiple thereof, of fully registered bonds), and premium, if any, thereon, and all interest payable on such bonds (or portions) to the date on which they become due and payable at maturity or upon redemption or otherwise, and complies with the other provisions of the Mortgage in respect thereof, then from the date of such deposit such bonds (or portions) shall no longer be secured by the lien of the Mortgage.

The Mortgage provides that, upon any partial redemption of a fully registered bond, upon surrender thereof endorsed for transfer, new bonds of the same series and of authorized



denominations in principal amount equal to the unredeemed portion of such fully registered bond will be delivered in exchange therefor.

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

No recourse shall be had for the payment of the principal of, the Make-Whole Redemption Price, if applicable, or interest on this bond, or for any claim based hereon, or otherwise in respect hereof, or based on or in respect of the Mortgage or under or upon any obligation, covenant or agreement contained in the Mortgage, against any incorporator or any past, present or future subscriber to the capital stock, stockholder, officer or director, as such, of the Company or of any predecessor or successor corporation, either directly or through the Company or any predecessor or successor corporation under any present or future 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, as such, being waived and released by the holder and owner hereof by the acceptance of this bond and being likewise waived and released by the terms of the Mortgage.

**Section 5.** Interest on any New Series 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 that bond (or one or more predecessor bonds) is registered at the close of business on the Regular Record Date for such interest specified in the provisions of this Supplemental Indenture. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

Any interest on any New Series Bond which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") 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 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 New Series Bonds 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 Trustee 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 Trustee to comply with the next sentence hereof), and at the same time the Company shall deposit with the 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 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 part of the trust estate or trust moneys. Thereupon the 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 Trustee of the notice of the proposed

payment. The 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 the New Series Bonds at the address as it appears in the bond register not less than 10 days prior to such Special Record Date. The 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 New Series Bonds, 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 New Series Bonds (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 New Series Bonds 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 Trustee of the proposed payment pursuant to this Subsection, such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section, each New Series Bond delivered under this Supplemental Indenture upon transfer of or in exchange for or in lieu of any other New Series Bonds shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other bond and each such bond shall bear interest from such date, that neither gain nor loss in interest shall result from such transfer, exchange or substitution.

## ARTICLE II

### ADDITIONAL COVENANTS

The Company hereby covenants as follows:

**Section 1.** That it will, prior to or simultaneously with the initial authentication and delivery by the Trustee of the New Series Bonds under Section 4.05 of the Original Indenture, deliver to the Trustee the instruments required by said Section.

**Section 2.** That, so long as any of the New Series Bonds shall be outstanding, it will not declare or pay any dividends (except a dividend in its own common stock) upon its common stock, or make any other distribution (by way of purchase, or otherwise) to the holders thereof, except a payment or distribution out of net income of the Company subsequent to December 31, 1943; and that it will not permit any subsidiary of the Company to purchase any shares of common stock of the Company.

For the purpose of this Section, net income of the Company shall be determined by regarding as charges or credits to income, as the case may be, any and all charges or credits to earned surplus

subsequent to December 31, 1943, representing adjustments on account of excessive or deficient accruals to income for taxes, and operating expenses shall include all proper charges for the maintenance and repairs of the property owned by the Company and appropriations out of income for the retirement or depreciation of the property used in its electric business in an amount of not less than the amount of the minimum provision for depreciation determined as provided in clause (5) of paragraph A of Section 1.05 of the Original Indenture.

### **ARTICLE III**

#### **SUNDRY PROVISIONS**

**Section 1.** This Supplemental Indenture is executed and shall be construed as an indenture supplemental to the Original Indenture, and shall form a part thereof and all of the provisions contained in the Original Indenture in respect to the rights, privileges, immunities, powers and duties of the Trustee shall be applicable in respect hereof as fully and with like effect as if set forth herein in full.

**Section 2.** This Supplemental Indenture may be simultaneously executed in any number of counterparts, and all of said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

**Section 3.** The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or of the due execution hereof by the Company or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely.

**Section 4.** Although this Supplemental Indenture is dated for convenience and for purposes of reference as of July 1, 2001, the actual dates of execution by the Company and by the Trustee are as indicated by the respective acknowledgments hereto annexed.

[Remainder of Page Intentionally Left Blank]

**IN WITNESS WHEREOF, FLORIDA POWER CORPORATION** has caused this Supplemental Indenture to be signed in its name and behalf by its Executive Vice President, and its corporate seal to be hereunto affixed and attested by its Assistant Secretary, and **FIRST CHICAGO TRUST COMPANY OF NEW YORK** has caused this Supplemental Indenture to be signed and sealed in its name and behalf by a Vice President, and its corporate seal to be attested by a Vice President, all as of the day and year first above written.

**FLORIDA POWER CORPORATION**

By /s/ Peter M. Scott III  
Peter M. Scott III, Executive Vice President  
One Progress Plaza  
St. Petersburg, Florida 33701

[SEAL]

Attest:

/s/ Robert Williams

Robert Williams, Assistant Secretary  
One Progress Plaza

St. Petersburg, Florida 33701

Signed, sealed and delivered by said  
**FLORIDA POWER CORPORATION**

in the presence of:

/s/ C. G. Beuris

C.G. Beuris

/s/ N. Manly Johnson III

N. Manly Johnson III

**FIRST CHICAGO TRUST  
COMPANY OF NEW YORK**

By: /s/Steven M. Wagner  
Steven M. Wagner, Vice President  
14 Wall Street

[SEAL]          New York, NY 10005

Attest:

/s/ Marla S. Roth  
Marla S. Roth, Vice President  
14 Wall Street  
New York, NY 10005

Signed, sealed and delivered by said  
**FIRST CHICAGO TRUST  
COMPANY OF NEW YORK**  
in the presence of:

/s/ Janice Ott Rotunno

Print Name: Janice Ott Rotunno

/s/ J. Morand

Print Name: J. Morand

STATE OF NORTH CAROLINA)

SS:

COUNTY OF WAKE                    )

Before me, the undersigned, a notary public in and for the State and County aforesaid, an officer duly authorized to take acknowledgments of deeds and other instruments, personally appeared Peter M. Scott III, Executive Vice President of **FLORIDA POWER CORPORATION**, a corporation, the corporate party of the first part in and to the above written instrument, and also personally appeared before me Robert Williams, Assistant Secretary of the said corporation; such persons being severally personally known to me, who did take an oath and are known by me to be the same individuals who as such Executive Vice President and as such Assistant Secretary executed the above written instrument on behalf of said corporation; and he, the said Executive Vice President, acknowledged that as such Executive Vice President, he subscribed the said corporate name to said instrument on behalf and by authority of said corporation, and he, the said Assistant Secretary, acknowledged that he affixed the seal of said corporation to said instrument and attested the same by subscribing his name as Assistant Secretary of said corporation, by authority and on behalf of said corporation, and each of the two persons above named acknowledged that, being informed of the contents of said instrument, they, as such Executive Vice President and Assistant Secretary, delivered said instrument by authority and on

behalf of said corporation and that all such acts were done freely and voluntarily and for the uses and purposes in said instrument set forth and that such instrument is the free act and deed of said corporation; and each of said persons further acknowledged and declared that he knows the seal of said corporation, and that the seal affixed to said instrument is the corporate seal of the corporation aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 12th day of July, 2001 at Raleigh in the State and County aforesaid.

/s/ Nanci B. Little

[NOTARIAL SEAL]

STATE OF ILLINOIS        )

SS:

COUNTY OF COOK         )

Before me, the undersigned, a notary public in and for the State and County aforesaid, an officer duly authorized to take acknowledgments of deeds and other instruments, personally appeared Steven M. Wagner, a Vice President (the "Executing Vice President") of **FIRST CHICAGO TRUST COMPANY OF NEW YORK**, a New York trust company, the corporate party of the second part in and to the above written instrument, and also personally appeared before me Marla S. Roth, a Vice President (the "Attesting Vice President") of the said corporation; said persons being severally personally known to me, who did take an oath and are known by me to be the same individuals who as such Executing Vice President and as such Attesting Vice President executed the above written instrument on behalf of said corporation; and he, the said Executing Vice President, acknowledged that as such Executing Vice President he subscribed the said corporate name to said instrument and affixed the seal of said corporation to said instrument on behalf and by authority of said corporation, and she, the said Attesting Vice President, acknowledged that she attested the same by subscribing her name as Vice President of said corporation, by authority and on behalf of said corporation, and each of the two persons above named acknowledged that, being informed of the contents of said instrument, they, as such Executing Vice President and Attesting Vice President, delivered said instrument by authority and on behalf of said corporation and that all such acts were done freely and voluntarily and for the uses and purposes in said instrument set forth and that such instrument is the free act and deed of said corporation, and each of said persons further acknowledged and declared that he/she knows the seal of said corporation, and that the seal affixed to said instrument is the corporate seal of the corporation aforesaid.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal this 12th day of July, 2001, at Chicago, Illinois, in the State and County aforesaid.

/s/ Cesar Frank Castro

[NOTARIAL SEAL]

EXHIBIT A

RECORDING INFORMATION

**ORIGINAL INDENTURE dated January 1, 1944**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	02/25/44	121	172
Bay	10/20/47	59	18
Brevard	10/30/91	3157	3297
Citrus	02/25/44	18	1
Columbia	02/25/44	42	175
Dixie	02/25/44	3	127
Flagler	10/30/91	456	288
Franklin	02/25/44	0	83
Gadsden	02/26/44	A-6	175
Gilchrist	02/25/44	5	60
Gulf	02/26/44	6	193
Hamilton	02/25/44	42	69
Hardee	02/25/44	23	1
Hernando	02/25/44	90	1
Highlands	02/25/44	48	357
Hillsborough	02/25/44	662	105
Jackson	02/26/44	370	1
Jefferson	07/02/51	25	1
Lafayette	02/25/44	22	465
Lake	02/25/44	93	1
Leon	02/25/44	41	1
Levy	02/25/44	3	160
Liberty	02/25/44	"H"	116
Madison	07/02/51	61	86
Marion	02/25/44	103	1
Orange	02/25/44	297	375
Osceola	02/25/44	20	1
Pasco	02/25/44	39	449
Pinellas	02/26/44	566	1
Polk	02/25/44	666	305
Seminole	02/25/44	65	147
Sumter	02/25/44	25	1
Suwanee	02/25/44	58	425
Taylor	07/03/51	36	1
Volusia	02/25/44	135	156
Wakulla	02/25/44	14	1



**STATE OF GEORGIA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Cook	02/25/44	24	1
Echols	02/25/44	A-1	300
Lowndes	02/25/44	5-0	1

**SUPPLEMENTAL INDENTURE (First) dated July 1, 1946**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	11/12/46	166	1
Bay	10/20/47	59	1
Brevard	10/30/91	3157	3590
Citrus	11/12/46	17	362
Columbia	11/12/46	49	283
Dixie	11/14/46	3	357
Flagler	10/30/91	456	579
Franklin	11/13/46	"P"	80
Gadsden	11/13/46	A-9	148
Gilchrist	11/14/46	7	120
Gulf	11/13/46	10	313
Hamilton	11/12/46	40	371
Hardee	11/12/46	24	575
Hernando	11/14/46	99	201
Highlands	11/12/46	55	303
Hillsborough	11/06/46	95	375
Jackson	11/13/46	399	1
Jefferson	07/02/51	25	287
Lafayette	11/14/46	23	156
Lake	11/13/46	107	209
Leon	11/13/46	55	481
Levy	11/14/46	4	133
Liberty	11/13/46	"H"	420
Madison	07/02/51	61	373
Marion	11/12/46	110	1
Orange	11/12/46	338	379
Osceola	11/12/46	20	164
Pasco	11/14/46	44	169
Pinellas	11/06/46	632	161
Polk	11/12/46	744	511
Seminole	11/13/46	74	431
Sumter	11/13/46	25	467
Suwanee	11/12/46	63	316
Taylor	07/03/51	36	145
Volusia	11/13/46	158	203
Wakulla	11/13/36	14	299

**SUPPLEMENTAL INDENTURE (Second) dated November 1, 1948**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	01/08/49	196	287
Bay	01/10/49	64	395
Brevard	10/30/91	3157	3607
Citrus	01/13/49	18	414
Columbia	01/08/49	55	493
Dixie	01/10/49	4	201
Flagler	10/30/91	456	601
Franklin	01/10/49	"Q"	1
Gadsden	01/10/49	A-13	157
Gilchrist	01/08/49	6	274
Gulf	01/10/49	13	74
Hamilton	01/10/49	44	1
Hardee	01/08/49	28	110
Hernando	01/08/49	109	448
Highlands	01/08/49	61	398
Hillsborough	01/13/49	810	452
Jackson	01/10/49	400	563
Jefferson	07/02/51	25	320
Lafayette	01/10/49	25	210
Lake	01/08/49	119	555
Leon	01/10/49	82	303
Levy	01/08/49	5	242
Liberty	01/08/49	"H"	587
Madison	07/02/51	61	407
Marion	01/11/49	122	172
Orange	01/08/49	388	604
Osceola	01/08/49	25	104
Pasco	01/08/49	47	549
Pinellas	01/05/49	716	11
Polk	01/07/49	807	411
Seminole	01/06/49	84	389
Sumter	01/08/49	28	41
Suwanee	01/08/49	69	150
Taylor	07/03/51	36	162
Volusia	01/06/49	192	167
Wakulla	01/10/49	16	1

**SUPPLEMENTAL INDENTURE (Third) dated July 1, 1951**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	08/02/51	234	340
Bay	08/03/51	93	155
Brevard	10/30/91	3157	3630
Citrus	07/30/51	20	251
Columbia	08/02/51	66	503
Dixie	08/02/51	5	271
Flagler	10/30/91	456	624
Franklin	08/03/51	"Q"	522
Gadsden	08/03/51	A-19	271
Gilchrist	08/02/51	7	422
Gulf	08/03/51	16	59
Hamilton	08/03/51	51	347
Hardee	08/02/51	32	1
Hernando	08/02/51	118	537
Highlands	08/02/51	69	344
Hillsborough	08/02/51	927	174
Jefferson	08/03/51	25	359
Lafayette	08/03/51	27	305
Lake	07/31/51	139	323
Leon	08/02/51	113	465
Levy	08/02/51	7	211
Liberty	07/25/51	1	232
Madison	08/07/51	62	1
Marion	08/02/51	142	143
Orange	08/07/51	460	60
Osceola	08/02/51	31	385
Pasco	08/10/51	56	1
Pinellas	08/02/51	847	301
Polk	08/01/51	899	539
Seminole	08/07/51	100	403
Sumter	08/02/51	32	345
Suwanee	08/02/51	76	413
Taylor	08/07/51	36	182
Volusia	08/07/51	245	393
Wakulla	08/03/51	17	259

**STATE OF GEORGIA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Cook	08/08/51	35	566
Echols	08/02/51	A-3	521
Lowndes	08/04/51	7-E	188

**FOURTH SUPPLEMENTAL INDENTURE November 1, 1952**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	12/31/52	256	288
Bay	01/01/53	104	571
Brevard	10/30/91	3157	3663
Citrus	12/31/52	22	321
Columbia	12/31/52	72	521
Dixie	12/31/52	6	135
Flagler	10/31/91	456	657
Franklin	12/31/52	R	477
Gadsden	12/31/52	A-22	511
Gilchrist	12/31/52	9	124
Gulf	01/02/53	17	7
Hamilton	12/31/52	54	293
Hardee	12/31/52	33	433
Hernando	12/31/52	125	361
Highlands	01/02/53	74	131
Hillsborough	12/29/52	993	545
Jefferson	12/31/52	27	1
Lafayette	12/31/52	28	445
Lake	01/02/53	150	343
Leon	12/31/52	130	1
Levy	12/31/52	8	362
Liberty	01/09/53	1	462
Madison	01/02/53	65	134
Marion	01/02/53	153	434
Orange	12/31/52	505	358
Osceola	12/31/52	36	145
Pasco	01/02/53	61	563
Pinellas	12/29/52	926	561
Polk	01/12/53	974	177
Seminole	01/02/53	111	41
Sumter	12/31/52	35	441
Suwanee	01/02/53	82	27
Taylor	12/31/52	37	325
Volusia	01/10/53	278	107
Wakulla	01/02/53	18	383

**STATE OF GEORGIA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Cook	01/01/53	39	95
Echols	01/01/53	A-4	110
Lowndes	12/31/52	7-0	540

**FIFTH SUPPLEMENTAL INDENTURE November 1, 1953**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	12/29/53	271	24
Bay	01/01/54	115	505
Brevard	10/30/91	3157	3690
Citrus	12/28/53	2	73
Columbia	12/28/53	7	3
Dixie	12/23/53	6	466
Flagler	10/30/91	456	684
Franklin	12/28/53	1	447
Gadsden	12/24/53	A-26	251
Gilchrist	12/23/53	9	317
Gulf	12/28/53	11	229
Hamilton	12/28/53	58	220
Hardee	12/23/53	35	518
Hernando	12/23/53	130	409
Highlands	12/29/53	78	1
Hillsborough	01/04/54	1050	229
Jefferson	12/29/53	28	91
Lafayette	12/24/53	30	16
Lake	12/23/53	160	189
Leon	12/23/53	144	268
Levy	12/23/53	9	368
Liberty	01/06/54	J	40
Madison	12/26/53	67	381
Marion	12/28/53	168	179
Orange	12/24/53	541	253
Osceola	12/24/53	39	42
Pasco	12/23/53	67	1
Pinellas	12/22/53	988	333
Polk	01/05/54	1021	473
Seminole	12/29/53	118	535
Sumter	12/28/53	37	466
Suwanee	12/28/53	85	346
Taylor	12/24/53	43	225
Volusia	12/24/53	303	454
Wakulla	12/30/53	19	380



**STATE OF GEORGIA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Cook	01/15/54	39	437
Echols	01/15/54	A-4	418
Lowndes	12/29/53	7-X	235

**SIXTH SUPPLEMENTAL INDENTURE dated July 1, 1954**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	11/19/54	286	129
Bay	11/22/54	125	502
Brevard	10/30/91	3157	3719
Citrus	11/19/54	9	525
Columbia	11/20/54	17	479
Dixie	11/19/54	7	299
Flagler	10/30/91	456	713
Franklin	11/19/54	5	465
Gadsden	11/20/54	A-29	411
Gilchrist	11/19/54	9	530
Gulf	11/22/54	19	284
Hamilton	11/22/54	59	425
Hardee	11/19/54	37	307
Hernando	11/19/54	7	335
Highlands	11/19/54	82	403
Hillsborough	11/26/54	1116	164
Jefferson	11/19/54	29	17
Lafayette	11/19/54	31	138
Lake	11/19/54	170	225
Leon	11/19/54	159	209
Levy	11/19/54	10	523
Liberty	11/30/54	"J"	215
Madison	11/20/54	69	483
Marion	11/20/54	181	573
Orange	11/23/54	578	123
Osceola	11/20/54	42	216
Pasco	11/22/54	15	568
Pinellas	11/18/54	1046	507
Polk	11/23/54	1068	22
Seminole	11/19/54	28	374
Sumter	11/30/54	40	81
Suwanee	11/23/54	89	1
Taylor	11/20/54	45	377
Volusia	11/23/54	327	538
Wakulla	11/19/54	20	445

**STATE OF GEORGIA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Cook	11/20/54	55	385
Echols	11/20/54	5	86
Lowndes	11/20/54	3	387

**SEVENTH SUPPLEMENTAL INDENTURE dated July 1, 1956**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	07/27/56	320	309
Bay	07/27/56	145	395
Brevard	10/30/91	3157	3746
Citrus	07/25/56	28	403
Columbia	07/26/56	38	279
Dixie	07/30/56	9	1
Flagler	10/30/91	456	740
Franklin	07/27/56	16	392
Gadsden	07/26/56	A-36	100
Gilchrist	07/31/56	11	289
Gulf	08/02/56	23	475
Hamilton	07/27/56	11	79
Hardee	07/31/56	43	1
Hernando	07/26/56	21	88
Highlands	07/31/56	11	571
Hillsborough	08/06/56	1260	125
Jefferson	07/25/56	30	295
Lafayette	07/25/56	33	117
Lake	07/26/56	189	613
Leon	07/25/56	190	301
Levy	07/30/56	14	13
Liberty	07/31/56	“J”	531
Madison	07/26/56	74	12
Marion	07/26/56	208	223
Orange	07/27/56	126	165
Osceola	07/26/56	49	1
Pasco	08/02/56	51	353
Pinellas	07/24/56	1168	481
Polk	08/20/56	1180	30
Seminole	07/27/56	90	5
Sumter	08/02/56	43	523
Suwanee	07/26/56	96	67
Taylor	07/25/56	52	451
Volusia	07/26/56	384	195
Wakulla	07/25/56	22	281

**STATE OF GEORGIA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Cook	07/26/56	48	36
Echols	07/26/56	5	401
Lowndes	07/25/56	22	419

**EIGHTH SUPPLEMENTAL INDENTURE dated July 1, 1958**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	07/23/58	20	227
Bay	08/05/58	170	295
Brevard	10/30/91	3157	3785
Citrus	07/24/58	55	336
Columbia	07/23/58	66	365
Dixie	07/22/58	11	166
Flagler	10/30/91	456	779
Franklin	07/22/58	29	248
Gadsden	07/23/58	9	48
Gilchrist	07/22/58	12	341
Gulf	07/24/58	29	40
Hamilton	07/22/58	23	1
Hardee	07/22/58	49	451
Hernando	07/25/58	39	358
Highlands	07/29/58	50	514
Hillsborough	07/29/58	111	108
Jefferson	07/23/58	33	19
Lafayette	07/23/58	35	120
Lake	07/31/58	56	297
Leon	07/23/58	216	129
Levy	07/22/58	18	63
Liberty	07/24/58	"K"	413
Madison	07/23/58	78	310
Marion	07/29/58	237	447
Orange	07/23/58	403	300
Osceola	07/23/58	26	462
Pasco	07/25/58	96	455
Pinellas	07/24/58	381	683
Polk	07/24/58	165	452
Seminole	07/23/58	178	26
Sumter	08/01/58	5	66
Suwanee	07/23/58	102	360
Taylor	07/22/58	4	254
Volusia	07/23/58	129	244
Wakulla	07/25/58	24	375

**NINTH SUPPLEMENTAL INDENTURE dated October 1, 1960**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	11/23/60	119	158
Bay	11/25/60	28	411
Brevard	10/30/91	3157	3822
Citrus	12/01/60	93	370
Columbia	11/17/60	105	133
Dixie	11/16/60	13	331
Flagler	10/30/91	456	816
Franklin	11/17/60	49	375
Gadsden	11/17/60	29	655
Gilchrist	11/16/60	1	473
Gulf	11/21/60	5	409
Hamilton	11/18/60	37	171
Hardee	11/17/60	60	76
Hernando	11/16/60	65	688
Highlands	11/18/60	108	421
Hillsborough	11/23/60	629	675
Jefferson	11/18/60	8	290
Lafayette	11/16/60	38	185
Lake	11/21/60	141	619
Leon	11/23/60	254	479
Levy	11/16/60	23	537
Liberty	11/17/60	"M"	525
Madison	11/22/60	11	153
Marion	11/18/60	54	420
Orange	11/22/60	817	569
Osceola	11/16/60	68	410
Pasco	11/21/60	158	530
Pinellas	11/16/60	1036	239
Polk	11/18/60	440	179
Seminole	11/21/60	332	203
Sumter	11/30/60	25	318
Suwanee	11/17/60	111	282
Taylor	11/18/60	21	626
Volusia	11/21/60	330	281
Wakulla	11/21/60	28	185

**TENTH SUPPLEMENTAL INDENTURE dated May 1, 1962**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	06/07/62	188	123
Bay	06/15/62	70	173
Brevard	10/30/91	3157	3858
Citrus	06/08/62	120	221
Columbia	06/05/62	130	187
Dixie	06/05/62	15	36
Flagler	10/30/91	456	852
Franklin	06/06/62	58	333
Gadsden	06/05/62	45	493
Gilchrist	06/05/62	7	261
Gulf	06/06/62	14	147
Hamilton	06/05/62	46	407
Hardee	06/05/62	16	449
Hernando	06/05/62	82	326
Highlands	06/11/62	148	617
Hillsborough	06/11/62	949	738
Jefferson	06/05/62	13	606
Lafayette	06/08/62	39	385
Lake	06/06/62	204	1
Leon	06/11/62	48	49
Levy	06/05/62	27	574
Liberty	06/06/62	0	214
Madison	06/05/62	20	76
Marion	06/15/62	112	412
Orange	06/06/62	1060	464
Osceola	06/05/62	90	389
Pasco	06/08/62	202	457
Pinellas	06/01/62	1438	571
Polk	06/14/62	605	696
Seminole	06/13/62	408	102
Sumter	06/13/62	40	85
Suwanee	06/05/62	116	273
Taylor	06/05/62	34	330
Volusia	06/20/62	456	46
Wakulla	06/11/62	31	349



**ELEVENTH SUPPLEMENTAL INDENTURE dated April 1, 1965**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	05/21/65	324	610
Bay	05/28/65	158	231
Brevard	10/30/91	3157	3894
Citrus	05/13/65	179	485
Columbia	05/17/65	184	314
Dixie	05/13/65	6	485
Flagler	10/30/91	456	888
Franklin	05/19/65	72	497
Gadsden	05/18/65	73	410
Gilchrist	05/13/65	17	11
Gulf	05/18/65	24	717
Hamilton	05/13/65	63	327
Hardee	05/13/65	47	377
Hernando	05/13/65	112	236
Highlands	05/21/65	232	421
Hillsborough	05/12/65	1448	57
Jefferson	05/14/65	23	198
Lafayette	05/13/65	1	687
Lake	05/19/65	287	74
Leon	05/21/65	178	48
Levy	05/21/65	34	519
Liberty	05/14/65	6	1
Madison	05/14/65	34	399
Marion	05/24/65	228	528
Orange	05/25/65	1445	830
Osceola	05/18/65	132	351
Pasco	05/13/65	291	437
Pinellas	05/12/65	2154	77
Polk	05/17/65	929	371
Seminole	05/19/65	535	241
Sumter	05/14/65	68	83
Suwanee	05/17/65	24	673
Taylor	05/17/65	56	129
Volusia	05/19/65	708	531
Wakulla	05/17/65	8	6

**TWELFTH SUPPLEMENTAL INDENTURE dated November 1, 1965**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	12/10/65	355	229
Bay	12/20/65	174	619
Brevard	10/30/91	3157	3931
Citrus	12/22/65	192	309
Columbia	12/10/65	194	338
Dixie	12/10/65	9	42
Flagler	10/30/91	456	925
Franklin	12/13/65	76	249
Gadsden	12/10/65	78	606
Gilchrist	12/10/65	19	447
Gulf	12/10/65	26	692
Hamilton	12/10/65	66	303
Hardee	12/10/65	53	426
Hernando	12/13/65	118	441
Highlands	12/20/65	248	20
Hillsborough	12/17/65	1548	603
Jefferson	12/10/65	24	595
Lafayette	12/10/65	2	671
Lake	12/20/65	301	528
Leon	12/20/65	205	170
Levy	12/20/65	36	184
Liberty	12/10/65	6	477
Madison	12/11/65	36	806
Marion	12/27/65	254	153
Orange	12/10/65	1499	785
Osceola	12/10/65	140	445
Pasco	12/13/65	312	19
Pinellas	12/09/65	2283	186
Polk	12/20/65	984	641
Seminole	12/22/65	559	591
Sumter	12/14/65	73	283
Suwanee	12/14/65	30	218
Taylor	12/10/65	59	361
Volusia	12/10/65	755	174
Wakulla	12/20/65	9	390

**THIRTEENTH SUPPLEMENTAL INDENTURE dated August 1, 1967**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	08/22/67	458	347
Bay	08/28/67	223	457
Brevard	10/30/91	3157	3964
Citrus	08/28/67	218	756
Columbia	08/22/67	225	304
Dixie	08/22/67	15	367
Flagler	10/30/91	456	962
Franklin	08/28/67	83	556
Gadsden	08/23/67	96	29
Gilchrist	08/22/67	25	131
Gulf	08/22/67	33	618
Hamilton	08/23/67	76	465
Hardee	08/22/67	71	366
Hernando	08/28/67	137	646
Highlands	08/30/67	288	585
Hillsborough	08/28/67	1795	635
Jefferson	08/23/67	30	662
Lafayette	08/22/67	5	694
Lake	08/25/67	342	196
Leon	08/30/67	280	594
Levy	08/28/67	41	262
Liberty	08/23/67	10	90
Madison	08/23/67	44	606
Marion	09/01/67	324	444
Orange	08/24/67	1660	421
Osceola	08/22/67	164	335
Pasco	08/28/67	370	728
Pinellas	08/21/67	2659	498
Polk	09/06/67	1108	900
Seminole	08/31/67	628	506
Sumter	09/06/67	87	602
Suwanee	08/23/67	47	228
Taylor	08/24/67	67	782
Volusia	08/24/67	964	254
Wakulla	08/31/67	14	755

**FOURTEENTH SUPPLEMENTAL INDENTURE dated November 1, 1968**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	12/06/68	543	198
Bay	12/18/68	262	487
Brevard	10/30/91	3157	3984
Citrus	12/09/68	239	487
Columbia	12/09/68	242	397
Dixie	12/09/68	20	109
Flagler	10/30/91	456	983
Franklin	12/06/68	88	538
Gadsden	12/12/68	110	7
Gilchrist	12/06/68	29	281
Gulf	12/09/68	38	359
Hamilton	12/06/68	82	245
Hardee	12/06/68	83	221
Hernando	12/09/68	164	395
Highlands	12/11/68	319	390
Hillsborough	12/19/68	1977	890
Jefferson	12/09/68	35	32
Lafayette	12/06/68	9	170
Lake	12/06/68	371	438
Leon	12/19/68	342	572
Levy	12/09/68	44	215
Liberty	12/09/68	12	41
Madison	12/09/68	49	627
Marion	12/20/68	375	12
Orange	12/06/68	1785	837
Osceola	12/06/68	183	688
Pasco	12/06/68	423	607
Pinellas	12/06/68	2964	580
Polk	12/10/68	1193	854
Seminole	12/18/68	695	638
Sumter	01/02/69	98	509
Suwanee	12/06/68	60	50
Taylor	12/09/68	73	494
Volusia	12/09/68	1060	466
Wakulla	12/19/68	18	593

**FIFTEENTH SUPPLEMENTAL INDENTURE dated August 1, 1969**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	08/26/69	592	206
Bay	09/03/69	283	513
Brevard	10/30/91	3157	4002
Citrus	08/26/69	251	437
Columbia	09/05/69	251	586
Dixie	08/26/69	21	705
Flagler	10/30/91	456	1001
Franklin	08/26/69	92	363
Gadsden	08/26/69	116	723
Gilchrist	09/04/69	31	539
Gulf	08/26/69	41	23
Hamilton	08/26/69	85	292
Hardee	08/26/69	91	19
Hernando	09/03/69	191	745
Highlands	09/05/69	339	90
Hillsborough	09/03/69	2073	501
Jefferson	08/26/69	37	193
Lafayette	08/26/69	12	235
Lake	09/11/69	389	148
Leon	09/05/69	377	548
Levy	08/26/69	6	348
Liberty	08/29/69	12	680
Madison	08/26/69	52	263
Marion	09/08/69	399	668
Orange	08/27/69	1867	156
Osceola	09/03/69	192	726
Pasco	08/26/69	459	315
Pinellas	08/26/69	3149	131
Polk	09/04/69	1241	971
Seminole	09/05/69	740	500
Sumter	09/05/69	104	504
Suwanee	08/26/69	66	489
Taylor	08/26/69	77	44
Volusia	08/26/69	1123	577
Wakulla	09/05/69	21	231

**SIXTEENTH SUPPLEMENTAL INDENTURE dated February 1, 1970**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	03/13/70	625	297
Bay	03/23/70	298	539
Brevard	10/30/91	3157	4019
Citrus	03/16/70	261	729
Columbia	03/13/70	257	622
Dixie	03/13/70	23	107
Flagler	10/30/91	456	1019
Franklin	03/13/70	94	507
Gadsden	03/13/70	121	571
Gilchrist	03/20/70	33	449
Gulf	03/16/70	43	244
Hamilton	03/14/70	87	291
Hardee	03/16/70	97	225
Hernando	03/20/70	212	536
Highlands	03/20/70	352	25
Hillsborough	03/20/70	2146	824
Jefferson	03/13/70	38	643
Lafayette	03/16/70	14	42
Lake	03/13/70	400	545
Leon	04/02/70	406	203
Levy	03/20/70	11	150
Liberty	03/13/70	13	494
Madison	03/13/70	54	152
Marion	03/20/70	419	113
Orange	03/20/70	1927	853
Osceola	03/13/70	199	282
Pasco	03/13/70	487	207
Pinellas	03/23/70	3294	582
Polk	03/27/70	1278	4
Seminole	03/20/70	771	384
Sumter	03/27/70	109	1
Suwanee	03/13/70	71	61
Taylor	03/16/70	79	282
Volusia	03/13/70	1183	353
Wakulla	03/24/70	23	36

**SEVENTEENTH SUPPLEMENTAL INDENTURE dated November 1, 1970**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	12/15/70	678	70
	01/08/71	682	405B
Bay	01/11/71	321	565
Brevard	10/30/91	3157	4030
Citrus	01/07/71	277	324
Columbia	12/16/70	266	25
	01/07/71	266	351
Dixie	01/07/71	25	246
Flagler	10/30/91	456	1030
Franklin	12/15/70	98	171
	01/18/71	98	472
Gadsden	01/07/71	128	705
Gilchrist	01/13/71	36	5
Gulf	12/16/70	46	132
Hamilton	12/16/70	90	201
	01/08/71	90	325
Hardee	12/16/70	106	109
	01/07/71	107	15
Hernando	12/16/70	246	299
	01/13/71	252	715
Highlands	01/11/71	372	79
Hillsborough	01/11/71	2261	308
Jefferson	12/16/70	41	467
Lafayette	01/06/71	16	144
Lake	01/12/71	421	742
Leon	01/14/71	449	244
Levy	01/11/71	18	65
Liberty	12/16/70	14	535
Madison	01/07/71	56	911
Marion	01/11/71	449	33
Orange	01/11/71	2021	24
Osceola	01/29/71	212	353
Pasco	01/08/71	524	86
Pinellas	01/14/71	3467	449
Polk	01/14/71	1331	880
Seminole	01/11/71	819	223
Sumter	01/11/71	115	308
Suwanee	12/17/70	77	82
Taylor	12/17/70	83	53
Volusia	01/11/71	1257	142
Wakulla	01/12/71	26	175

**EIGHTEENTH SUPPLEMENTAL INDENTURE dated October 1, 1971**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	11/17/71	755	116
Bay	11/09/71	351	33
Brevard	10/30/91	3157	4062
Citrus	11/16/71	296	490
Columbia	11/15/71	278	597
Dixie	11/09/71	31	23
Flagler	10/30/91	456	1062
Franklin	11/09/71	103	278
Gadsden	11/10/71	138	360
Gilchrist	11/16/71	39	92
Gulf	11/11/71	49	107
Hamilton	11/09/71	93	538
Hardee	11/09/71	119	63
Hernando	11/17/71	280	1
Highlands	11/16/71	393	578
Hillsborough	11/17/71	2393	263
Jefferson	11/11/71	45	135
Lafayette	11/09/71	19	91
Lake	11/16/71	447	834
Leon	11/12/71	496	190
Levy	11/16/71	26	748
Liberty	11/10/71	16	108
Madison	11/11/71	61	220
Marion	11/16/71	487	239
Orange	11/18/71	2144	179
Osceola	11/10/71	229	360
Pasco	11/12/71	569	344
Pinellas	11/09/71	3659	630
Polk	11/16/71	1400	1
Seminole	11/16/71	892	460
Sumter	11/09/71	123	457
Suwanee	11/12/71	86	28
Taylor	11/09/71	87	706
Volusia	11/09/71	1352	118
Wakulla	11/16/71	30	218



**NINETEENTH SUPPLEMENTAL INDENTURE dated June 1, 1971**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	07/31/72	797	81
Bay	07/31/72	378	483
Brevard	10/30/91	3157	4079
Citrus	08/01/72	314	557
Columbia	07/31/72	290	418
Dixie	07/31/72	35	44
Flagler	10/30/91	456	1079
Franklin	07/31/72	107	442
Gadsden	07/31/72	147	296
Gilchrist	07/31/72	41	148
Gulf	07/31/72	51	371
Hamilton	07/31/72	96	573
Hardee	07/31/72	130	35
Hernando	07/31/72	295	702
Highlands	07/31/72	409	578
Hillsborough	07/31/72	2518	15
Jefferson	07/31/72	48	389
Lafayette	08/04/72	22	70
Lake	08/02/72	474	134
Leon	08/02/72	537	763
Levy	08/02/72	35	5
Liberty	08/03/72	17	319
Madison	08/03/72	65	120
Marion	08/02/72	521	427
Orange	08/03/72	2259	950
Osceola	08/02/72	245	626
Pasco	08/03/72	619	487
Pinellas	08/02/72	3846	454
Polk	08/02/72	1467	276
Seminole	08/03/72	948	1035
Sumter	08/02/72	131	348
Suwanee	08/02/72	93	785
Taylor	08/03/72	92	198
Volusia	08/02/72	1456	420
Wakulla	08/03/72	33	147

**TWENTIETH SUPPLEMENTAL INDENTURE dated November 1, 1972**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	01/22/73	818	709
Bay	01/22/73	400	226
Brevard	10/30/91	3157	4096
Citrus	01/22/73d	328	152
Columbia	01/22/73	298	244
Dixie	01/22/73	38	92
Flagler	10/30/91	456	1096
Franklin	01/22/73	110	446
Gadsden	01/22/73	154	117
Gilchrist	01/22/73	42	685
Gulf	01/22/73	52	813
Hamilton	01/22/73	99	270
Hardee	01/22/73	138	88
Herdando	01/22/73	306	325
Highlands	01/22/73	422	5
Hillsborough	01/22/73	2612	659
Jefferson	01/23/73	50	632
Lafayette	01/22/73	23	338
Lake	01/22/73	492	696
Leon	01/25/73	567	238
Levy	01/22/73	40	755
Liberty	01/23/73	18	51
Madison	01/23/73	67	413
Marion	01/22/73	546	125
Orange	01/22/73	2345	569
Osceola	01/24/73	256	564
Pasco	01/22/73	654	281
Pinellas	01/23/73	3980	788
Polk	01/24/73	1514	854
Seminole	01/22/73	136	696
Sumter	01/22/73	136	696
Suwanee	01/22/73	98	583
Taylor	01/22/73	95	99
Volusia	01/22/73	1533	327
Wakulla	01/26/73	35	266

**TWENTY-FIRST SUPPLEMENTAL INDENTURE dated June 1, 1973**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	08/30/73	850	668
Bay	08/30/73	431	401
Brevard	10/30/91	3157	4126
Citrus	08/31/73	349	609
Columbia	08/30/73	309	245
Dixie	08/30/73	41	473
Flagler	10/30/91	456	1126
Franklin	08/31/73	115	120
Gadsden	08/31/73	164	90
Gilchrist	08/31/73	45	387
Gulf	09/04/73	54	736
Hamilton	09/04/73	104	250
Hardee	08/31/73	149	295
Herdando	08/31/73	321	479
Highlands	08/31/73	442	961
Hillsborough	08/31/73	2740	278
Jefferson	08/31/73	54	591
Lafayette	09/07/73	26	73
Lake	08/31/73	520	70
Leon	09/06/73	609	543
Levy	09/05/73	50	741
Liberty	08/31/73	19	111
Madison	08/31/73	71	22
Marion	09/04/73	585	491
Orange	09/07/73	2448	1009
Osceola	09/06/73	272	204
Pasco	09/04/73	707	613
Pinellas	08/31/73	4073	767
Polk	08/31/73	1550	1341
Seminole	09/04/73	993	0048
Sumter	08/31/73	144	265
Suwanee	09/04/73	106	192
Taylor	08/31/73	99	444
Volusia	08/31/73	1647	440
Wakulla	08/31/73	38	458

**TWENTY-SECOND SUPPLEMENTAL INDENTURE dated December 1, 1973**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	02/28/74	876	74
Bay	02/28/74	457	572
Brevard	10/30/91	3157	4155
Citrus	03/18/74	365	200
Columbia	03/01/74	319	179
Dixie	02/28/74	44	149
Flagler	10/30/91	456	1155
Franklin	03/01/74	119	14
Gadsden	03/01/74	171	264
Gilchrist	02/28/74	48	25
Gulf	03/01/74	56	427
Hamilton	03/01/74	109	89
Hardee	02/28/74	158	140
Herdando	02/28/74	333	455
Highlands	02/28/74	458	394
Hillsborough	02/28/74	2842	642
Jefferson	03/01/74	58	5
Lafayette	03/01/74	28	34
Lake	03/04/74	540	77
Leon	03/01/74	638	672
Levy	02/28/74	57	769
Liberty	03/01/74	20	54
Madison	03/01/74	73	545
Marion	02/28/74	617	19
Orange	02/28/74	2504	1707
Osceola	03/01/74	284	344
Pasco	03/01/74	739	1360
Pinellas	02/28/74	4141	1397
Polk	02/28/74	1578	1983
Seminole	03/04/74	1010	1601
Sumter	03/01/74	150	278
Suwanee	03/04/74	111	766
Taylor	03/04/74	102	694
Volusia	03/04/74	1712	645
Wakulla	03/05/74	40	626

**TWENTY-THIRD SUPPLEMENTAL INDENTURE dated October 1, 1976**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	11/29/76	1035	716
Bay	11/29/76	600	687
Brevard	10/30/91	3157	4184
Citrus	12/08/76	448	668
Columbia	12/03/76	370	898
Dixie	11/29/76	56	160
Flagler	10/30/91	456	1184
Franklin	11/29/76	136	420
Gadsden	12/06/76	219	533
Gilchrist	11/30/76	62	464
Gulf	11/30/76	68	753
Hamilton	11/30/76	131	855
Hardee	11/29/76	212	10
Herdando	12/03/76	397	623
Highlands	11/29/76	535	951
Hillsborough	11/29/76	3181	1281
Jefferson	11/29/76	75	198
Lafayette	11/29/76	36	422
Lake	12/06/76	620	66
Leon	11/30/76	823	723
Levy	11/29/76	98	32
Liberty	11/29/76	25	104
Madison	12/06/76	89	124
Marion	12/08/76	779	258
Orange	12/06/76	2745	889
Osceola	11/30/76	345	524
Pasco	12/03/76	867	1165
Pinellas	12/03/76	4484	1651
Polk	11/29/76	1720	2000
Seminole	12/06/76	1105	1137
Sumter	11/30/76	181	97
Suwanee	11/29/76	146	437
Taylor	11/30/76	123	111
Volusia	12/06/76	1872	1438
Wakulla	12/07/76	53	837

**TWENTY-FOURTH SUPPLEMENTAL INDENTURE dated April 1, 1979**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	06/11/79	1212	956
Bay	06/12/79	734	343
Brevard	10/30/91	3157	4212
Citrus	06/12/79	538	1687
Columbia	06/14/79	429	139
Dixie	06/12/79	68	122
Flagler	10/30/91	456	1212
Franklin	06/13/79	159	186
Gadsden	06/13/79	259	396
Gilchrist	06/12/79	77	260
Gulf	06/14/79	78	174
Hamilton	06/12/79	142	859
Hardee	06/12/79	245	558
Herdando	06/12/79	443	17
Highlands	06/13/79	620	77
Hillsborough	06/12/79	3523	1162
Jefferson	06/13/79	93	685
Lafayette	06/13/79	44	496
Lake	06/12/79	678	266
Leon	06/15/79	931	526
Levy	06/12/79	141	163
Liberty	06/13/79	30	394
Madison	06/13/79	108	655
Marion	06/13/79	976	451
Orange	06/13/79	3018	812
Osceola	06/12/79	438	115
Pasco	06/14/79	1013	126
Pinellas	06/12/79	4867	291
Polk	06/12/79	1881	2012
Seminole	06/12/79	1228	606
Sumter	06/12/79	216	642
Suwanee	06/12/79	184	514
Taylor	06/13/79	145	686
Volusia	06/12/79	2082	1430
Wakulla	06/13/79	69	884

**TWENTY-FIFTH SUPPLEMENTAL INDENTURE dated April 1, 1980**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	07/25/80	1290	319
Bay	07/25/80	794	596
Brevard	10/30/91	3157	4238
Citrus	07/28/80	560	2030
Columbia	07/24/80	451	126
Dixie	07/24/80	73	220
Flagler	10/30/91	456	1238
Franklin	07/28/80	169	589
Gadsden	07/25/80	275	649
Gilchrist	07/24/80	84	551
Gulf	07/28/80	82	290
Hamilton	07/25/80	148	774
Hardee	07/25/80	257	823
Herdando	07/24/80	465	441
Highlands	07/29/80	658	523
Hillsborough	07/24/80	3684	411
Jefferson	07/25/80	101	387
Lafayette	07/24/80	47	586
Lake	07/24/80	705	977
Leon	07/25/80	966	426
Levy	07/25/80	161	478
Liberty	07/25/80	32	981
Madison	07/28/80	117	572
Marion	07/28/80	1027	1141
Orange	07/25/80	3127	1401
Osceola	07/30/80	489	198
Pasco	07/25/80	1077	1362
Pinellas	06/24/80	5038	2013
Polk	07/25/80	1956	1808
Seminole	07/28/80	1288	1105
Sumter	07/25/80	233	598
Suwanee	07/29/80	200	618
Taylor	07/28/80	156	740
Volusia	07/25/80	2185	587
Wakulla	07/28/80	76	879

**TWENTY-SIXTH SUPPLEMENTAL INDENTURE dated November 1, 1980**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	01/27/81	1326	527
Bay	01/26/81	823	570
Brevard	10/30/91	3157	4267
Citrus	01/28/81	570	1391
Columbia	01/27/81	461	435
Dixie	01/23/81	75	785
Flagler	10/30/91	456	1267
Franklin	01/27/81	174	320
Gadsden	01/26/81	282	356
Gilchrist	01/23/81	87	484
Gulf	01/26/81	84	307
Hamilton	01/26/81	151	44
Hardee	01/27/81	264	214
Herdando	01/26/81	476	916
Highlands	01/26/81	676	12
Hillsborough	01/26/81	3760	1223
Jefferson	01/26/81	104	658
Lafayette	01/27/81	49	175
Lake	01/27/81	717	2439
Leon	01/30/81	983	1982
Levy	01/26/81	169	716
Liberty	01/26/81	33	875
Madison	01/27/81	121	535
Marion	01/26/81	1051	47
Orange	01/26/81	3167	2388
Osceola	01/28/81	512	78
Pasco	01/26/81	1108	1247
Pinellas	12/31/80	5128	1781
Polk	01/27/81	1994	436
Seminole	01/27/81	1317	775
Sumter	01/26/81	241	211
Suwanee	01/27/81	209	696
Taylor	01/26/81	161	461
Volusia	01/26/81	2236	1396
Wakulla	01/26/81	79	837



**TWENTY-SEVENTH SUPPLEMENTAL INDENTURE dated November 15, 1980**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	02/10/81	1328	880
Bay	02/10/81	825	667
Brevard	10/30/91	3157	4295
Citrus	02/13/81	571	1236
Columbia	02/09/81	462	275
Dixie	02/09/81	76	147
Flagler	10/30/91	456	1295
Franklin	02/11/81	174	590
Gadsden	02/11/81	283	105
Gilchrist	02/13/81	88	100
Gulf	02/17/81	84	561
Hamilton	02/11/81	151	256
Hardee	02/11/81	264	618
Herdando	02/10/81	477	904
Highlands	02/11/81	677	519
Hillsborough	02/10/81	3766	35
Jefferson	02/12/81	105	318
Lafayette	02/10/81	49	299
Lake	02/10/81	718	2428
Leon	02/18/81	985	1655
Levy	02/12/81	170	567
Liberty	02/12/81	34	94
Madison	02/11/81	122	47
Marion	02/10/81	1052	1660
Orange	02/11/81	3171	1797
Osceola	02/13/81	514	336
Pasco	02/10/81	1111	307
Pinellas	02/10/81	5147	951
Polk	02/11/81	1997	527
Seminole	02/11/81	1319	1660
Sumter	02/11/81	241	746
Suwanee	02/11/81	210	652
Taylor	02/11/81	161	793
Volusia	02/10/81	2241	333
Wakulla	02/11/81	80	188

**TWENTY-EIGHTH SUPPLEMENTAL INDENTURE dated May 1, 1981**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	06/08/81	1351	161
Bay	07/20/81	853	623
Brevard	10/30/91	3157	4321
Citrus	06/08/81	578	919
Columbia	06/08/81	469	507
Dixie	06/09/81	78	172
Flagler	10/30/91	456	1321
Franklin	06/10/81	178	166
Gadsden	06/08/81	286	1847
Gilchrist	06/05/81	90	526
Gulf	06/09/81	85	881
Hamilton	06/08/81	152	776
Hardee	06/05/81	267	797
Herdando	06/05/81	484	1645
Highlands	06/05/81	689	338
Hillsborough	06/05/81	3814	700
Jefferson	06/09/81	107	352
Lafayette	06/05/81	50	758
Lake	06/08/81	727	209
Leon	06/08/81	996	1780
Levy	06/08/81	176	81
Liberty	06/12/81	34	859
Madison	06/08/81	125	615
Marion	06/05/81	1068	1824
Orange	06/08/81	3199	783
Osceola	06/09/81	532	1
Pasco	06/05/81	1132	1007
Pinellas	06/05/81	5201	1902
Polk	06/12/81	2022	642
Seminole	06/08/81	1340	894
Sumter	06/05/81	246	210
Suwanee	06/05/81	217	153
Taylor	06/09/81	165	536
Volusia	06/05/81	2272	1296
Wakulla	06/08/81	82	500

**TWENTY-NINTH SUPPLEMENTAL INDENTURE dated September 1, 1982**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	10/06/82	1440	284
Bay	10/08/82	912	523
Brevard	10/30/91	3157	4348
Citrus	10/07/82	604	1403
Columbia	10/06/82	498	260
Dixie	10/07/82	85	2
Flagler	10/30/91	456	1348
Franklin	10/11/82	191	239
Gadsden	10/08/82	297	266
Gilchrist	10/07/82	98	657
Gulf	10/07/82	91	125
Hamilton	10/06/82	159	396
Hardee	10/07/82	281	339
Herdando	10/06/82	510	1386
Highlands	10/08/82	733	571
Hillsborough	10/06/82	4009	985
Jefferson	10/08/82	115	766
Lafayette	10/06/82	55	163
Lake	10/08/82	759	836
Leon	10/07/82	1041	20
Levy	10/06/82	198	511
Liberty	10/07/82	38	218
Madison	10/07/82	136	685
Marion	10/06/82	1128	717
Orange	10/07/82	3316	738
Osceola	10/11/82	606	68
Pasco	10/06/82	1212	1279
Pinellas	10/07/82	5411	1407
Polk	10/07/82	2110	93
Seminole	10/06/82	1416	535
Sumter	10/06/82	263	631
Suwanee	10/06/82	238	524
Taylor	10/07/82	178	879
Volusia	10/06/82	2391	1879
Wakulla	10/07/82	91	306

**THIRTIETH SUPPLEMENTAL INDENTURE dated October 1, 1982**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	12/02/82	1450	90
Bay	12/06/82	916	1538
Brevard	10/30/91	3157	4364
Citrus	12/03/82	607	1034
Columbia	12/06/82	501	729
Dixie	12/06/82	86	49
Flagler	10/30/91	456	1364
Franklin	12/07/82	192	448
Gadsden	12/06/82	298	608
Gilchrist	12/03/82	100	18
Gulf	12/07/82	91	744
Hamilton	12/06/82	160	118
Hardee	12/08/82	283	11
Herdando	12/03/82	513	992
Highlands	12/07/82	738	221
Hillsborough	12/03/82	4033	293
Jefferson	12/06/82	117	9
Lafayette	12/06/82	55	444
Lake	12/03/82	763	19
Leon	12/07/82	1047	812
Levy	12/06/82	201	136
Liberty	12/08/82	38	547
Madison	12/07/82	137	808
Marion	12/07/82	1135	1015
Orange	12/06/82	3330	2301
Osceola	12/09/82	615	721
Pasco	12/06/82	1222	1592
Pinellas	11/23/82	5434	229
Polk	12/08/82	2121	118
Seminole	12/06/82	1425	1476
Sumter	12/06/82	265	768
Suwanee	12/07/82	240	699
Taylor	12/06/82	180	189
Volusia	12/06/82	2406	460
Wakulla	12/06/82	92	272

**THIRTY-FIRST SUPPLEMENTAL INDENTURE dated November 1, 1991**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	12/05/91	1836	2215
Bay	12/04/91	1347	1335
Brevard	12/05/91	3165	1204
Citrus	12/04/91	917	725
Columbia	12/04/91	753	1847
Dixie	12/09/91	156	90
Flagler	12/04/91	458	1266
Franklin	12/04/91	364	11
Gadsden	12/04/91	386	1240
Gilchrist	12/09/91	182	573
Gulf	12/04/91	148	72
Hamilton	12/04/91	294	236
Hardee	12/04/91	420	322
Herdando	12/03/91	843	1139
Highlands	12/03/91	1161	1860
Hillsborough	12/04/91	6449	1412
Jefferson	12/04/91	225	39
Lafayette	12/05/91	87	430
Lake	12/04/91	1138	1083
Leon	12/04/91	1530	452
Levy	12/05/91	446	454
Liberty	12/04/91	68	508
Madison	12/04/91	258	173
Marion	12/04/91	1787	161
Orange	12/06/91	4352	22
Osceola	12/05/91	1042	587
Pasco	12/03/91	2071	503
Pinellas	11/13/91	7731	740
Polk	12/06/91	3041	1252
Seminole	12/05/91	2364	1942
Sumter	12/03/91	443	254
Suwanee	12/05/91	423	515
Taylor	12/04/91	296	232
Volusia	12/09/91	3712	968
Wakulla	12/05/91	185	524

**THIRTY-SECOND SUPPLEMENTAL INDENTURE dated December 1, 1992**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	12/30/92	1888	2338
Bay	12/30/92	1410	42
Brevard	12/29/92	3256	2503
Citrus	12/29/92	965	231
Columbia	12/30/92	769	532
Dixie	12/30/92	165	484
Flagler	12/30/92	480	212
Franklin	12/30/92	399	1
Gadsden	12/30/92	399	1762
Gilchrist	12/30/92	194	693
Gulf	01/06/93	157	343
Hamilton	12/29/92	314	215
Hardee	12/31/92	439	211
Herdando	12/29/92	894	688
Highlands	12/29/92	1200	1665
Hillsborough	12/30/92	6838	810
Jefferson	12/30/92	250	196
Lafayette	12/30/92	92	129
Lake	12/30/92	1203	323
Leon	01/07/93	1611	2296
Levy	12/29/92	479	312
Liberty	12/30/92	73	427
Madison	12/30/92	292	205
Marion	12/29/92	1888	1815
Orange	12/30/92	4506	2985
Osceola	12/31/92	1102	2325
Pasco	12/29/92	3101	950
Pinellas	12/15/92	8120	1705
Polk	12/31/92	3185	899
Seminole	12/29/92	2525	1408
Sumter	12/29/92	471	468
Suwanee	12/29/92	449	469
Taylor	01/21/93	313	221
Volusia	12/30/92	3797	1647
Wakulla	12/31/92	204	765

**THIRTY-THIRD SUPPLEMENTAL INDENTURE dated December 1, 1992**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	12/30/92	1888	2426
Bay	12/30/92	1410	130
Brevard	12/29/92	3256	2592
Citrus	12/29/92	965	319
Columbia	12/30/92	769	622
Dixie	12/30/92	165	572
Flagler	12/30/92	480	300
Franklin	12/30/92	399	89
Gadsden	12/30/92	399	1850
Gilchrist	12/30/92	195	1
Gulf	01/06/93	157	431
Hamilton	12/29/92	315	1
Hardee	12/31/92	439	299
Herdando	12/29/92	894	776
Highlands	12/29/92	1200	1754
Hillsborough	12/30/92	6838	898
Jefferson	12/30/92	250	285
Lafayette	12/30/92	92	217
Lake	12/30/92	1203	411
Leon	01/07/93	1611	2384
Levy	12/29/92	479	400
Liberty	12/30/92	73	515
Madison	12/30/92	292	293
Marion	12/29/92	1888	1903
Orange	12/30/92	4506	3073
Osceola	12/31/92	1102	2413
Pasco	12/29/92	3101	1038
Pinellas	12/15/92	8120	1795
Polk	12/31/92	3185	987
Seminole	12/29/92	2525	1496
Sumter	12/29/92	471	556
Suwanee	12/29/92	449	595
Taylor	01/21/93	313	309
Volusia	12/30/92	3797	1735
Wakulla	12/31/92	204	853

**THIRTY-FOURTH SUPPLEMENTAL INDENTURE dated February 1, 1993**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	02/23/93	1895	1712
Bay	02/22/93	1418	1202
Brevard	02/22/93	3268	4928
Citrus	03/03/93	972	1372
Columbia	02/23/93	771	1030
Dixie	02/23/93	166	771
Flagler	02/23/93	483	86
Franklin	02/23/93	404	209
Gadsden	02/22/93	402	153
Gilchrist	02/22/93	196	612
Gulf	02/22/93	158	636
Hamilton	02/22/93	317	37
Hardee	02/26/93	442	29
Herdando	02/22/93	901	1009
Highlands	02/23/93	1206	1393
Hillsborough	02/23/93	6891	182
Jefferson	02/23/93	254	267
Lafayette	02/22/93	92	788
Lake	02/22/93	1211	1060
Leon	02/23/93	1621	51
Levy	02/22/93	484	459
Liberty	02/22/93	74	366
Madison	02/22/93	297	50
Marion	03/01/93	1902	1706
Orange	03/01/93	4527	4174
Osceola	02/23/93	1111	2070
Pasco	03/01/93	3118	1205
Pinellas	02/09/93	8173	382
Polk	02/22/93	3203	2186
Seminole	02/22/93	2547	765
Sumter	02/22/93	475	750
Suwanee	02/23/93	454	51
Taylor	02/25/93	314	853
Volusia	02/23/93	3808	3551
Wakulla	02/23/93	207	396



**THIRTY-FIFTH SUPPLEMENTAL INDENTURE dated March 1, 1993**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	03/22/93	1898	2769
Bay	03/23/93	1423	659
Brevard	03/22/93	3275	3473
Citrus	03/22/93	975	1
Columbia	03/24/93	772	1536
Dixie	03/23/93	167	499
Flagler	03/23/93	484	1113
Franklin	03/22/93	407	47
Gadsden	03/22/93	403	66
Gilchrist	03/22/93	197	704
Gulf	03/22/93	159	388
Hamilton	03/22/93	320	1
Hardee	03/22/93	443	137
Herdando	03/22/93	905	480
Highlands	03/22/93	1210	47
Hillsborough	03/22/93	6917	972
Jefferson	03/24/93	257	40
Lafayette	03/23/93	93	218
Lake	03/23/93	1216	1165
Leon	03/23/93	1626	1941
Levy	03/23/93	487	375
Liberty	03/22/93	74	627
Madison	03/22/93	299	211
Marion	03/22/93	1910	738
Orange	03/23/93	4539	2634
Osceola	03/25/93	1115	2511
Pasco	03/22/93	3129	149
Pinellas	03/10/93	8200	2030
Polk	03/22/93	3214	1331
Seminole	03/22/93	2559	1330
Sumter	03/22/93	478	191
Suwanee	03/24/93	456	58
Taylor	03/26/93	316	580
Volusia	03/23/93	3814	4453
Wakulla	03/22/93	208	563

**THIRTY-SIXTH SUPPLEMENTAL INDENTURE dated July 1, 1993**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	08/06/93	1919	2335
Bay	08/09/93	1447	1661
Brevard	08/05/93	3312	2304
Citrus	08/06/93	994	111
Columbia	08/09/93	778	736
Dixie	08/10/93	171	595
Flagler	08/06/93	493	183
Franklin	08/16/93	423	78
Gadsden	08/06/93	407	1440
Gilchrist	08/06/93	202	372
Gulf	08/06/93	162	831
Hamilton	08/06/93	326	301
Hardee	08/06/93	450	623
Herdando	08/09/93	925	1936
Highlands	08/06/93	1225	1608
Hillsborough	08/05/93	7071	222
Jefferson	08/10/93	266	252
Lafayette	08/09/93	95	394
Lake	08/06/93	1241	430
Leon	08/09/93	1660	1955
Levy	08/06/93	500	395
Liberty	08/06/93	76	362
Madison	08/06/93	312	20
Marion	08/06/93	1948	1022
Orange	08/09/93	4602	366
Osceola	08/06/93	1138	832
Pasco	08/05/93	3182	104
Pinellas	07/20/93	8342	522
Polk	08/05/93	3268	1251
Seminole	08/09/93	2627	330
Sumter	08/05/93	489	700
Suwanee	08/09/93	467	488
Taylor	08/06/93	323	490
Volusia	08/06/93	3848	2752
Wakulla	08/06/93	217	104

**THIRTY-SEVENTH SUPPLEMENTAL INDENTURE dated December 1, 1993**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
Alachua	12/29/93	1942	1768
Bay	12/29/93	1473	1090
Brevard	12/28/93	3353	2186
Citrus	12/29/93	1013	1791
Columbia	12/30/93	784	1174
Dixie	01/04/94	175	744
Flagler	12/30/93	503	269
Franklin	12/30/93	437	69
Gadsden	12/29/93	412	1638
Gilchrist	01/03/94	207	597
Gulf	12/29/93	166	710
Hamilton	12/29/93	334	78
Hardee	12/28/93	458	139
Herdando	12/30/93	947	1037
Highlands	12/29/93	1241	1888
Hillsborough	12/29/93	7235	1829
Jefferson	12/30/93	276	231
Lafayette	12/29/93	97	746
Lake	12/29/93	1267	2229
Leon	12/29/93	1698	1017
Levy	12/30/93	512	733
Liberty	12/29/93	78	291
Madison	12/29/93	324	302
Marion	12/29/93	1990	1962
Orange	12/29/93	4675	2208
Osceola	12/30/93	1163	2641
Pasco	12/29/93	3239	112
Pinellas	12/15/93	8502	2162
Polk	12/28/93	3327	562
Seminole	12/28/93	2703	466
Sumter	12/28/93	502	157
Suwanee	12/29/93	478	324
Taylor	12/29/93	330	533
Volusia	12/29/93	3885	2736
Wakulla	12/30/93	224	727

**THIRTY-EIGHTH SUPPLEMENTAL INDENTURE dated July 25, 1994**

**STATE OF FLORIDA**

<u>County</u>	<u>Date of Recordation</u>	<u>Book</u>	<u>Page</u>
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Alachua	08/08/94	1975	2678
Bay	08/08/94	1516	432
Brevard	08/08/94	3412	3309
Citrus	08/08/94	1044	2108
Columbia	08/08/94	794	188
Dixie	08/11/94	183	3
Flagler	08/08/94	516	1458
Franklin	08/10/94	465	42
Gadsden	08/09/94	422	570
Gilchrist	08/10/94	216	477
Gulf	08/08/94	172	664
Hamilton	08/08/94	347	189
Hardee	08/08/94	471	495
Herdando	09/06/94	983	887
Highlands	08/08/94	1267	791
Hillsborough	08/10/94	7485	745
Jefferson	08/09/94	298	22
Lafayette	08/09/94	101	626
Lake	08/09/94	1311	1274
Leon	08/08/94	1754	594
Levy	08/08/94	533	45
Liberty	08/09/94	81	566
Madison	08/08/94	348	172
Marion	08/10/94	2060	1272
Orange	08/09/94	4779	4850
Osceola	08/08/94	1205	1060
Pasco	08/08/94	3326	1162
Pinellas	07/25/94	8734	1574
Polk	08/08/94	3423	2168
Seminole	08/08/94	2809	131
Sumter	08/08/94	524	256
Suwanee	08/08/94	500	170
Taylor	08/09/94	342	576
Volusia	08/11/94	3942	4371
Wakulla	08/10/94	239	322

**EXHIBIT B**  
**PROPERTY DESCRIPTIONS**

**[TO BE INSERTED]**

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Author: Pringle, Sharon, 00488

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**\$170,000,000**  
**(364-DAY FACILITY)**

**CREDIT AGREEMENT**  
*Dated as of December 18, 2001*

**FLORIDA POWER CORPORATION**  
*(Borrower)*

and

**THE BANKS LISTED ON THE SIGNATURE PAGES HEREOF**  
*(Banks)*

and

**BANK OF AMERICA, N.A.**  
*(Administrative Agent)*

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**MERRILL LYNCH CAPITAL CORPORATION**  
*(Sole Lead Arranger and Syndication Agent)*

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- B Form of Assignment and Acceptance
- C-1 Form of Opinion of General Counsel to the Borrower
- C-2 Form of Opinion of Special Counsel for the Borrower
- D Form of Opinion of Counsel for the Arranger
- E Form of Compliance Certificate

# CREDIT AGREEMENT

*Dated as of December 18, 2001*

This CREDIT AGREEMENT (this "*Agreement*") is made by FLORIDA POWER CORPORATION, a Florida corporation (the "*Borrower*"), the banks listed on the signature pages hereof (the "*Banks*"), BANK OF AMERICA, N.A. ("*Bank of America*"), as administrative agent (the "*Administrative Agent*") for the Lenders (as hereinafter defined).

## ARTICLE I DEFINITIONS AND ACCOUNTING TERMS

### *SECTION 1.01. Certain Defined Terms.*

As used in this Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"*Administrative Agent*" has the meaning specified in the introductory paragraph of this Agreement.

"*Advance*" means an advance by a Lender to the Borrower as part of a Borrowing and refers to a Base Rate Advance or a Eurodollar Rate Advance, each of which shall be a "Type" of Advance.

"*Affiliate*" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by, or is under common control with such Person or is a director or officer of such Person.

"*Applicable Lending Office*" means, with respect to each Lender, (i) such Lender's Domestic Lending Office in the case of a Base Rate Advance, or (ii) such Lender's Eurodollar Lending Office, in the case of a Eurodollar Rate Advance.

"*Applicable Margin*" means for each Type of Advance at all times during which any Applicable Rating Level set forth below is in effect, the interest rate *per annum* set forth below next to such Applicable Rating Level :

<i>Applicable Rating Level</i>	<i>Applicable Margin for Eurodollar Rate Advances</i>	<i>Applicable Margin for Base Rate Advances</i>
1	0.295%	0%
2	0.410%	0%
3	0.650%	0%
4	0.750%	0%
5	0.950%	0%
6	1.300%	0%

provided, that

(i) the Applicable Margins for Eurodollar Rate Advances set forth above for each Applicable Rating Level shall increase at any time the aggregate principal amount of Advances outstanding is greater than 50% of the aggregate Commitments by 0.125% at Levels 1, 2, 3, 4 and 5 and by 0.250% at Level 6,

(ii) the Applicable Margins set forth above for each Applicable Rating Level shall increase upon the occurrence and during the continuance of any Event of Default by 2.0%, and

(iii) any change in the Applicable Margin resulting from a change in the Applicable Rating Level shall become effective upon the date of announcement of a change in the Moody's Rating or the S&P Rating that results in a change in the Applicable Rating Level.

"*Applicable Rating Level*" at any time shall be determined in accordance with the then-applicable S&P Rating and the then-applicable Moody's Rating as follows:

<i>S&amp;P Rating/Moody's Rating</i>	<i>Applicable Rating Level</i>
A or higher or A2 or higher	1
A- or A3	2
BBB+ or Baa1	3
BBB or Baa2	4
BBB- and Baa3	5
lower than BBB- and Baa3 or unrated	6

In the event that the S&P Rating and the Moody's Rating are not at the same Applicable Rating Level but differ by only one Applicable Rating Level, then the higher of the two ratings shall determine the Applicable Rating Level. In the event that the S&P Rating and the Moody's Rating differ by more than one Applicable Rating Level, then the Applicable Rating Level immediately below the higher of the two ratings shall be the Applicable Rating Level. The Applicable Rating Level shall be redetermined on the date of announcement of a change in the S&P Rating or the Moody's Rating.

**"Arranger"** has the meaning specified in the introductory paragraph of this Agreement.

**"Assignment and Acceptance"** means an assignment and acceptance entered into by a Lender and an Eligible Assignee, and accepted by the Administrative Agent, in substantially the form of Exhibit B hereto.

**"Banks"** has the meaning specified in the introductory paragraph of this Agreement.

**"Base Rate"** means, for any Interest Period or any other period, a fluctuating interest rate *per annum* as shall be in effect from time to time, which rate *per annum* shall at all times be equal to the higher from time to time of:

(i) the rate of interest announced publicly by Bank of America in Charlotte, North Carolina, from time to time, as Bank of America's base rate; and

(ii) 1/2 of one percent *per annum* above the Federal Funds Rate in effect from time to time.

**"Base Rate Advance"** means an Advance that bears interest as provided in Section 2.06(a).

**"Bank of America"** has the meaning specified in the introductory paragraph of this Agreement.

**"Borrower"** has the meaning specified in the introductory paragraph of this Agreement.

**"Borrowing"** means a borrowing consisting of simultaneous Advances of the same Type made by each of the Lenders pursuant to Section 2.01 or Converted pursuant to Section 2.08 or 2.09.

**"Business Day"** means a day of the year on which banks are not required or authorized to close at the principal office of any Lender and, if the applicable Business Day relates to any Eurodollar Rate Advances, on which dealings are carried on in the London interbank market.

**"Change of Control"** means the occurrence, after the date of this Agreement, of (i) the failure of the Parent to own, directly or indirectly, 100% of the voting stock of the Borrower or (ii) any Person or "group" (within the meaning of Rule 13(d) or 14(d) of the Securities and Exchange Commission under the Exchange Act), directly or indirectly, acquiring beneficial ownership of or control over securities of the Parent (or other securities convertible into such

securities) representing 30% or more of the combined voting power of all securities of the Parent entitled to vote in the election of directors.

“**Commitment**” has the meaning specified in Section 2.01.

“**Consolidated**” refers to the consolidation of the accounts of the Borrower and its subsidiaries in accordance with generally accepted accounting principles, including principles of consolidation, consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e).

“**Convert**”, “**Conversion**” and “**Converted**” each refers to a conversion of Advances of one Type into Advances of another Type, or the selection of a new, or the renewal of the same, Interest Period for Eurodollar Rate Advances, pursuant to Section 2.08(g) or 2.09.

“**CP&L**” means the Carolina Power & Light Company.

“**Domestic Lending Office**” means, with respect to any Lender, the office of such Lender specified as its “Domestic Lending Office” opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender, or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

“**Eligible Assignee**” means (i) any other Lender or any Affiliate of a Lender and (ii) (A) any other commercial bank organized under the laws of the United States, or any State thereof, and having a combined capital and surplus of at least \$250,000,000 (as established in its most recent report of condition to its primary regulator), (B) a savings and loan association or savings bank organized under the laws of the United States, or any State thereof, and having a combined capital and surplus of at least \$250,000,000 (as established in its most recent report of condition to its primary regulator), (C) a commercial bank organized under the laws of any other country that is a member of the OECD or has concluded special lending arrangements with the International Monetary Fund associated with its General Arrangements to Borrow of the Cayman Islands, or a political subdivision of any such country, and having a combined capital and surplus of at least \$250,000,000 (as established in its most recent report of condition to its primary regulator); *provided* that such bank is acting through a branch or agency located in the United States or in the country in which it is organized or another country that is described in this clause (C), (D) the central bank of any country that is a member of the OECD, or (E) a finance company, insurance company or other financial institution or fund (whether a corporation, partnership or other entity) that is engaged in making, purchasing or otherwise investing in commercial loans in the ordinary course of its business, whose outstanding unsecured indebtedness is rated AA- or better by S&P or Aa3 or better by Moody’s (or an equivalent rating by another nationally-recognized credit rating agency of similar standing if neither of such corporations is then in the business of rating unsecured indebtedness).

“**Environmental Laws**” means any federal, state or local laws, ordinances or codes, rules, orders, or regulations relating to pollution or protection of the environment, including, without limitation, laws relating to hazardous substances, laws relating to reclamation of land and waterways and laws relating to emissions, discharges, releases or threatened releases of

pollutants, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes into the environment (including, without limitation, ambient air, surface water, ground water, land surface or subsurface strata) or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollution, contaminants, chemicals, or industrial, toxic or hazardous substances or wastes.

“**ERISA**” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated and rulings issued thereunder.

“**Eurocurrency Liabilities**” has the meaning assigned to that term in Regulation D of the Board of Governors of the Federal Reserve System, as in effect from time to time.

“**Eurodollar Lending Office**” means, with respect to each Lender, the office of such Lender specified as its “Eurodollar Lending Office” opposite its name on Schedule I hereto or in the Assignment and Acceptance pursuant to which it became a Lender (or, if no such office is specified, its Domestic Lending Office), or such other office of such Lender as such Lender may from time to time specify to the Borrower and the Administrative Agent.

“**Eurodollar Rate**” means, for the Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing an interest rate *per annum* equal to the average (rounded upward to the nearest whole multiple of 1/8 of 1% *per annum*, if such average is not such a multiple) of the rates *per annum* at which deposits in U.S. dollars are offered by the principal office of each of the Reference Banks in London, England to prime banks in the London Interbank market at 11:00 A.M. (London time) two Business Days before the first day of such Interest Period for a period equal to such Interest Period and in an amount substantially equal to the amount of such Eurodollar Rate Advance comprising part of such Borrowing to be outstanding during such Interest Period from such Reference Bank. The Eurodollar Rate for the Interest Period for each Eurodollar Rate Advance comprising part of the same Borrowing shall be determined by the Administrative Agent on the basis of the applicable rates furnished to and received by the Administrative Agent from the Reference Banks two Business Days before the first day of such Interest Period, *subject, however*, to the provisions of Section 2.08.

“**Eurodollar Rate Advance**” means an Advance that bears interest as provided in Section 2.06(b).

“**Eurodollar Rate Reserve Percentage**” of any Lender for the Interest Period for any Eurodollar Rate Advance means the reserve percentage applicable during such Interest Period (or if more than one such percentage shall be so applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) under regulations issued from time to time by the Board of Governors of the Federal Reserve System (or any successor) for determining the maximum reserve requirement (including, without limitation, any emergency, supplemental or other marginal reserve requirement) for such Lender with respect to liabilities or assets consisting of or including Eurocurrency Liabilities having a term equal to such Interest Period.

“**Events of Default**” has the meaning assigned to that term in Section 6.01.

**“Exchange Act”** means the Securities Exchange Act of 1934, and the regulations promulgated thereunder, in each case as amended and in effect from time to time.

**“Existing Credit Facility”** means, the Fourth Amended and Restated Credit Agreement A, dated as of November 14, 2000, among the Borrower, the Lenders identified therein and The Chase Manhattan Bank, as Agent

**“Facility Fee Percentage”** means, at all times during which any Applicable Rating Level set forth below is in effect, the rate *per annum* set forth below next to such Applicable Rating Level:

<i>Applicable Rating Level</i>	<i>Facility Fee Percentage</i>
1	0.100%
2	0.100%
3	0.100%
4	0.125%
5	0.175%
6	0.200%

*provided*, that a change in the Facility Fee Percentage resulting from a change in the Applicable Rating Level shall become effective upon the date of announcement of a change in the Moody’s Rating or the S&P Rating that results in a change in the Applicable Rating Level.

**“Federal Funds Rate”** means, for any period, a fluctuating interest rate *per annum* equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published for such day (or, if such day is not a Business Day, for the next preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day that is a Business Day, the average of the quotations for such day on such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it.

**“Florida Power Mortgage”** means the Indenture, dated as of January 1, 1944, between the Borrower, Guaranty Trust Company of New York and the Florida National Bank of Jacksonville, as modified, amended or supplemented from time to time.

**“Florida Power Mortgage Bonds”** means those bonds issued from time to time by the Borrower pursuant to the Florida Power Mortgage.

**“FPC”** means Florida Progress Corporation.

**“FPSC Order”** means an order of the Florida Public Service Commission that authorizes the Borrower to borrow and perform its obligations under this Agreement.

“**Guaranty**” of any Person means any obligation, contingent or otherwise, of such Person (i) to pay any Liability of any other Person or to otherwise protect, or having the practical effect of protecting, the holder of any such Liability against loss (whether such obligation arises by virtue of such Person being a partner of a partnership or participant in a joint venture or by agreement to pay, to keep well, to purchase assets, goods, securities or services or to take or pay, or otherwise) or (ii) incurred in connection with the issuance by a third Person of a Guaranty of any Liability of any other Person (whether such obligation arises by agreement to reimburse or indemnify such third Person or otherwise). The word “**Guarantee**” when used as a verb has the correlative meaning.

“**Indebtedness**” of any Person means (i) any obligation of such Person for borrowed money, (ii) any obligation of such Person evidenced by a bond, debenture, note or other similar instrument, (iii) any obligation of such Person to pay the deferred purchase price of property or services, except a trade account payable that arises in the ordinary course of business but only if and so long as the same is payable on customary trade terms, (iv) any obligation of such Person as lessee under a capital lease, (v) any Mandatorily Redeemable Stock of such Person (the amount of such Mandatorily Redeemable Stock to be determined for this purpose as the higher of the liquidation preference and the amount payable upon redemption of such Mandatorily Redeemable Stock), (vi) any obligation of such Person to purchase securities or other property that arises out of or in connection with the sale of the same or substantially similar securities or property, (vii) any non-contingent obligation of such Person to reimburse any other Person in respect of amounts paid under a letter of credit or other Guaranty issued by such other Person to the extent that such reimbursement obligation remains outstanding after it becomes non-contingent, (viii) any Indebtedness of others secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) a mortgage, lien, pledge, charge or other encumbrance on any asset of such Person, (ix) any Liabilities in respect of unfunded vested benefits under plans covered by Title IV of ERISA, (x) any Synthetic Lease Obligations of such Person and (xi) any Indebtedness of others Guaranteed by such Person.

“**Interest Period**” means, for each Eurodollar Rate Advance comprising part of the same Borrowing, the period commencing on the date of such Advance or the date of the Conversion of any Advance into such an Advance and ending on the last day of the period selected by the Borrower pursuant to the provisions below and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of the period selected by the Borrower pursuant to the provisions below. The duration of each such Interest Period shall be one, two, three or six months, as the Borrower may, in the Notice of Borrowing given by the Borrower to the Administrative Agent pursuant to Section 2.02, select; *provided, however*, that:

(i) the Borrower may not select any Interest Period that ends after the Termination Date;

(ii) Interest Periods commencing on the same date for Advances comprising the same Borrowing shall be of the same duration; and

(iii) whenever the last day of any Interest Period would otherwise occur on a day other than a Business Day, the last day of such Interest Period shall be extended to



occur on the next succeeding Business Day; *provided* that if such extension would cause the last day of such Interest Period to occur in the next following calendar month, the last day of such Interest Period shall occur on the next preceding Business Day.

The Administrative Agent shall promptly advise each Lender by or telecopy transmission of each Interest Period so selected by the Borrower.

“**Lenders**” means the Lenders listed on the signature pages hereof and each Eligible Assignee that shall become a party hereto pursuant to Section 8.07.

“**Liability**” of any Person means any indebtedness, liability or obligation of or binding upon, such Person or any of its assets, of any kind, nature or description, direct or indirect, absolute or contingent, due or not due, contractual or tortious, liquidated or unliquidated, whether arising under contract, applicable law, or otherwise, whether now existing or hereafter arising.

“**Majority Lenders**” means at any time Lenders holding at least 66 2/3% of the aggregate principal amount of the Advances then outstanding, or, if no such principal amount is then outstanding, Lenders having at least 66 2/3% of the Commitments (*provided* that, for purposes hereof, neither the Borrower, nor any of its Affiliates, if a Lender, shall be included in (i) the Lenders holding such amount of the Advances or having such amount of the Commitments or (ii) determining the aggregate unpaid principal amount of the Advances or the total Commitments).

“**Mandatorily Redeemable Stock**” means, with respect to any Person, any share of such Person’s capital stock to the extent that it is (i) redeemable, payable or required to be purchased or otherwise retired or extinguished, or convertible into any Indebtedness or other Liability of such Person, (A) at a fixed or determinable date, whether by operation of a sinking fund or otherwise, (B) at the option of any Person other than such Person or (C) upon the occurrence of a condition not solely within the control of such Person, such as a redemption required to be made out of future earnings or (ii) convertible into Mandatorily Redeemable Stock.

“**Moody’s**” means Moody’s Investors Service, Inc., or any successor thereto.

“**Moody’s Rating**” means, on any date of determination, the debt rating most recently announced by Moody’s with respect to the Borrower’s long-term senior unsecured non-credit-enhanced debt.

“**Multiemployer Plan**” means a “multiemployer plan” as defined in Section 4001(a)(3) of ERISA.

“**Notice of Borrowing**” has the meaning specified in Section 2.02(a).

“**Notice of Conversion**” has the meaning specified in Section 2.09.

“**OECD**” means the Organization for Economic Cooperation and Development.

“**Parent**” means Progress Energy, Inc.

“*Person*” means an individual, partnership, corporation (including a business trust), limited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, or a foreign state or political subdivision thereof or any agency of such state or subdivision.

“*Plan*” means an employee benefit plan (other than a Multiemployer Plan) maintained for employees of the Borrower or any of its Affiliates and covered by Title IV of ERISA.

“*Progress Capital*” means Progress Capital Holdings, Inc.

“*Reference Banks*” means Bank of America and Bank One, NA.

“*Register*” has the meaning specified in Section 8.07(c).

“*Responsible Officer*” means the President, any Vice President, the Chief Financial Officer, the Treasurer, the Controller or any Assistant Treasurer of the Borrower the signatures of whom, in each case, have been certified to the Administrative Agent and each other Lender pursuant to Section 3.01(d), or in a certificate delivered to the Administrative Agent replacing or amending such certificate. Each Lender may conclusively rely on each certificate so delivered until it shall have received a copy of a certificate from the Secretary or an Assistant Secretary of the Borrower amending, canceling or replacing such certificate.

“*S&P*” means Standard & Poor’s Ratings Group or any successor thereto.

“*S&P Rating*” means, on any date of determination, the debt rating most recently announced by S&P with respect to the Borrower’s long-term senior unsecured non-credit-enhanced debt.

“*SEC Order*” means Order Nos. 35-27440 and 70-9909 of the Securities and Exchange Commission issued September 20, 2001.

“*Significant Subsidiary*” means any Subsidiary of the Borrower that at any time constitutes a “significant subsidiary”, as such term is defined in Regulation S-X of the Securities and Exchange Commission as in effect on the date hereof (17 C.F.R. Part 210).

“*Subsidiary*” means, with respect to any Person, any corporation or unincorporated entity of which more than 50% of the outstanding capital stock (or comparable interest) having ordinary voting power (irrespective of whether at the time capital stock (or comparable interest) of any other class or classes of such corporation or entity shall or might have voting power upon the occurrence of any contingency) is at the time directly or indirectly owned by said Person (whether directly or through one or more other Subsidiaries).

“*Synthetic Lease*” means a lease transaction under which the parties intend that (i) the lease will be treated as an “operating lease” by the lessee pursuant to Statement of Financial Accounting Standards No. 13, as amended, and (ii) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

**“Synthetic Lease Obligations”** means, with respect to any Person, the sum of (i) all remaining rental obligations of such Person as lessee under Synthetic Leases that are attributable to principal and, without duplication, (ii) all rental and purchase price payment obligations of such Person under such Synthetic Leases assuming such Person exercises the option to purchase the lease property at the end of the lease term.

**“Termination Date”** means, with respect to a Lender, the earlier to occur of (i) December 17, 2002 and (ii) the date of termination in whole of the Commitments pursuant to Section 2.04 or 6.01.

**“Termination Event”** means (i) a Reportable Event described in Section 4043 of ERISA and the regulations issued thereunder (other than a Reportable Event not subject to the provision for 30-day notice to the Pension Benefit Guaranty Corporation under such regulations), or (ii) the withdrawal of the Borrower or any of its Affiliates from a Plan during a plan year in which it was a “substantial employer” as defined in Section 4001(a)(2) of ERISA, or (iii) the filing of a notice of intent to terminate a Plan or the treatment of a Plan amendment as a termination under Section 4041 of ERISA, or (iv) the institution of proceedings to terminate a Plan by the Pension Benefit Guaranty Corporation, or (v) any other event or condition that might constitute grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan.

**“Total Capitalization”** means the sum of the value of the common stock, retained earnings, and preferred and preference stock of the Borrower (in each case, determined in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e)), *plus* Indebtedness of the Borrower.

#### ***SECTION 1.02. Computation of Time Periods.***

In this Agreement in the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including” and the words “to” and “until” each means “to but excluding”.

#### ***SECTION 1.03. Accounting Terms.***

All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e).

## **ARTICLE II AMOUNTS AND TERMS OF THE ADVANCES**

#### ***SECTION 2.01. The Advances.***

(a) Each Lender severally agrees, on the terms and conditions hereinafter set forth, to make Advances to the Borrower from time to time on any Business Day during the period from the date hereof to and including the Termination Date, in an aggregate amount outstanding not to

exceed at any time the amount set forth opposite such Lender's name on Schedule I hereto or, if such Lender has entered into any Assignment and Acceptance, set forth for such Lender in the Register maintained by the Administrative Agent pursuant to Section 8.07(c), as such amount may be reduced pursuant to Section 2.04 (such Lender's "**Commitment**"). Each Borrowing shall be in an aggregate amount not less than \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof and shall consist of Advances of the same Type made on the same day by the Lenders ratably according to their respective Commitments. Until the Termination Date, within the limits of each Lender's Commitment, the Borrower may from time to time borrow, repay pursuant to Section 2.05 or prepay pursuant to Section 2.10(b) and reborrow under this Section 2.01.

(b) Any Lender may request that any Advances made by it be evidenced by one or more promissory notes. In such event, the Borrower shall prepare, execute and deliver to such Lender one or more promissory notes payable to the order of such Lender (or, if requested by such Lender, to such Lender and its assignees) and in a form approved by the Administrative Agent.

### ***SECTION 2.02. Making the Advances.***

(a) Each Borrowing shall be made on notice, given not later than 10:00 A.M. (New York City time) on the day of such proposed Borrowing, in the case of a Borrowing comprised of Base Rate Advances, or on the third Business Day prior to the date of the proposed Borrowing, in the case of a Borrowing comprised of Eurodollar Rate Advances, by the Borrower to the Administrative Agent, which shall give to each Lender prompt notice thereof by telecopier. Each such notice of a Borrowing (a "**Notice of Borrowing**") shall be by telecopier, confirmed promptly in writing, in substantially the form of Exhibit A-1 hereto, specifying therein the requested (i) date of such Borrowing, (ii) Type of Advances comprising such Borrowing, (iii) aggregate amount of such Borrowing, and (iv) in the case of a Borrowing comprised of Eurodollar Rate Advances, the Interest Period for each such Advance. In the case of a proposed Borrowing comprised of Eurodollar Rate Advances, the Administrative Agent shall promptly notify each Lender of the applicable interest rate under Section 2.06(b). Each Lender shall, before 12:00 P.M. (New York City time) on the date of such Borrowing, make available for the account of its Applicable Lending Office to the Administrative Agent at its address referred to in Section 8.02, in same day funds, such Lender's ratable portion of such Borrowing. After the Administrative Agent's receipt of such funds and upon fulfillment of the applicable conditions set forth in Article III, the Administrative Agent will make such funds available to the Borrower at the Administrative Agent's aforesaid address.

(b) Each Notice of Borrowing shall be irrevocable and binding on the Borrower and, in respect of any Borrowing comprised of Eurodollar Rate Advances, the Borrower shall indemnify each Lender against any loss or expense incurred by such Lender as a result of any failure by the Borrower to fulfill on or before the date specified for such Borrowing the applicable conditions set forth in Article III, including, without limitation, any loss (including loss of anticipated profits) or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by such Lender to fund the Advance to be made by such Lender as part of such Borrowing when such Advance, as a result of such failure, is not made on such date.

(c) Unless the Administrative Agent shall have received notice from a Lender prior to the date of any Borrowing that such Lender will not make available to the Administrative Agent such Lender's ratable portion of such Borrowing, the Administrative Agent may assume that such Lender has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with subsection (a) of this Section 2.02 and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent such Lender shall not have so made such ratable portion available to the Administrative Agent, such Lender and the Borrower severally agree to repay to the Administrative Agent (without duplication), forthwith on demand, such corresponding amount, together with interest thereon for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent, at (x) in the case of the Borrower, the interest rate applicable at the time to Advances comprising such Borrowing and (y) in the case of such Lender, the Federal Funds Rate. If such Lender shall repay to the Administrative Agent such corresponding amount, such amount so repaid shall constitute such Lender's Advance as part of such Borrowing for purposes of this Agreement.

(d) The failure of any Lender to make the Advance to be made by it as part of any Borrowing shall not relieve any other Lender of its obligation, if any, hereunder to make its Advance on the date of such Borrowing, but no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender on the date of any Borrowing.

(e) If, for any reason, a Borrowing is not made on the date specified in any Notice of Borrowing, the Administrative Agent hereby agrees to repay to each Lender the amount, if any, that such Lender has made available to the Administrative Agent as such Lender's ratable portion of such Borrowing, together with interest thereon for each day from the date such amount is made available to the Administrative Agent until the date such amount is repaid to such Lender, at the Federal Funds Rate.

#### ***SECTION 2.03. Fees.***

(a) The Borrower agrees to pay to the Administrative Agent for the account of each Lender a facility fee on each Lender's Commitment, irrespective of usage, from the date hereof, in the case of each Bank, and from the effective date specified in the Assignment and Acceptance pursuant to which it became a Lender, in the case of each other Lender, until the Termination Date at the rate *per annum* equal to the Facility Fee Percentage from time to time in effect. Such fee shall be calculated on the basis of actual number of days elapsed in a year of 365 or 366 days. Such fee shall be payable quarterly in arrears on the last day of each March, June, September and December during the term of such Lender's Commitment, and on the Termination Date.

(b) The Borrower agrees to pay to the Administrative Agent an agency fee in such amounts and payable at such times, as shall be agreed to between them in writing.

#### ***SECTION 2.04. Reduction of the Commitments.***

The Borrower shall have the right, upon at least three Business Days' notice to the Administrative Agent, irrevocably to terminate in whole or reduce ratably in part the unused

portions of the respective Commitments of the Lenders; *provided* that the aggregate amount of the Commitments of the Lenders shall not be reduced to an amount that is less than the aggregate principal amount of the Advances then outstanding; and *provided, further*, that each partial reduction of Commitments shall be in the aggregate amount of \$10,000,000 or an integral multiple of \$1,000,000 in excess thereof. Once terminated or reduced, the Commitments may not be reinstated.

***SECTION 2.05. Repayment of Advances.***

The Borrower shall repay the principal amount of each Advance made by each Lender on the Termination Date.

***SECTION 2.06. Interest on Advances.***

The Borrower shall pay interest on the unpaid principal amount of each Advance made by each Lender from the date of such Advance until such principal amount shall be paid in full, at the following rates *per annum*:

(a) *Base Rate Advances.* If such Advance is a Base Rate Advance, a rate *per annum* equal at all times to the Base Rate in effect from time to time, *plus* the Applicable Margin, payable quarterly in arrears on the last day of each March, June, September and December and on the date such Base Rate Advance shall be paid in full; *provided, however*, that if and for so long as an Event of Default has occurred and is continuing, interest on the unpaid principal amount of each Base Rate Advance shall be payable on demand.

(b) *Eurodollar Rate Advances.* If such Advance is a Eurodollar Rate Advance, a rate *per annum* equal at all times during each Interest Period for such Advance to the sum of the Eurodollar Rate for such Interest Period, *plus* the Applicable Margin for such Eurodollar Rate Advance in effect from time to time, payable on the last day of such Interest Period and, if such Interest Period for such Advance has a duration of more than three months, on each day that occurs during such Interest Period every three months from the first day of such Interest Period; *provided, however*, that if and for so long as an Event of Default has occurred and is continuing, interest on the unpaid amount of each Eurodollar Rate Advance shall be payable on demand.

***SECTION 2.07. Additional Interest on Eurodollar Rate Advances.***

The Borrower shall pay to each Lender additional interest on the unpaid principal amount of each Eurodollar Rate Advance of such Lender, from the date of such Advance until such principal amount is paid in full, at an interest rate *per annum* equal at all times to the remainder obtained by subtracting (i) the Eurodollar Rate for the Interest Period for such Advance from (ii) the rate obtained by dividing such Eurodollar Rate by a percentage equal to 100% minus the Eurodollar Rate Reserve Percentage of such Lender for such Interest Period, payable on each date on which interest is payable on such Advance. All claims for such additional interest shall be submitted by such Lender to the Borrower (with a copy to the Administrative Agent) as soon as is reasonably possible and in all events within 90 days after the first day of such Interest Period; *provided, however*, that if a claim is not submitted to the Borrower within such 90-day period, such Lender shall thereby waive its claim to such additional interest incurred during such 90-day period but not to any such additional interest incurred thereafter. A certificate as to the

amount of such additional interest, submitted to the Borrower (with a copy to the Administrative Agent) by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

***SECTION 2.08. Interest Rate Determination.***

(a) Each Reference Bank agrees to furnish to the Administrative Agent timely information for the purpose of determining the Eurodollar Rate. If any one or more of the Reference Banks shall not furnish such timely information to the Administrative Agent for determination of any such interest rate, the Administrative Agent shall determine such interest rate on the basis of timely information furnished by the remaining Reference Banks.

(b) The Administrative Agent shall give prompt notice to the Borrower and the Lenders of the applicable interest rate determined by the Administrative Agent for purposes of Section 2.06(a) or (b), and the applicable rate, if any, furnished by each Reference Bank for determining the applicable interest rate under Section 2.06(b).

(c) If fewer than two Reference Banks furnish timely information to the Administrative Agent for determining the Eurodollar Rate for any Eurodollar Rate Advances,

(i) the Administrative Agent shall forthwith notify the Borrower and the Lenders that the interest rate cannot be determined for such Eurodollar Rate Advances,

(ii) each such Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance (or if such Advance is then a Base Rate Advance, will continue as a Base Rate Advance), and

(iii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(d) If, with respect to any Eurodollar Rate Advances, the Majority Lenders notify the Administrative Agent that the Eurodollar Rate for any Interest Period for such Advances will not adequately reflect the cost to such Majority Lenders of making, funding or maintaining their respective Eurodollar Rate Advances for such Interest Period, the Administrative Agent shall forthwith so notify the Borrower and the Lenders, whereupon

(i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance, and

(ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist.

(e) If the Borrower shall fail to select the duration of any Interest Period for any Eurodollar Rate Advances in accordance with the provisions contained in the definition of "Interest Period" in Section 1.01, the Administrative Agent will forthwith so notify the Borrower

and the Lenders and such Advances will automatically, on the last day of the then existing Interest Period therefor, Convert into Base Rate Advances.

(f) On the date on which the aggregate unpaid principal amount of Advances comprising any Borrowing shall be reduced, by prepayment or otherwise, to less than \$20,000,000, such Advances shall, if they are Advances of a Type other than Base Rate Advances, automatically Convert into Base Rate Advances, and on and after such date the right of the Borrower to Convert such Advances into Advances of a Type other than Base Rate Advances shall terminate; *provided, however*, that if and so long as each such Advance shall be of the same Type and have the same Interest Period as Advances comprising another Borrowing or other Borrowings, and the aggregate unpaid principal amount of all such Advances shall equal or exceed \$20,000,000, the Borrower shall have the right to continue all such Advances as, or to Convert all such Advances into, Advances of such Type having such Interest Period.

(g) If an Event of Default has occurred and is continuing, (i) each Eurodollar Rate Advance will automatically, on the last day of the then existing Interest Period therefor, Convert into a Base Rate Advance and (ii) the obligation of the Lenders to make, or to Convert Advances into, Eurodollar Rate Advances shall be suspended.

#### ***SECTION 2.09. Voluntary Conversion of Advances.***

The Borrower may, on any Business Day prior to the Termination Date, upon notice given to the Administrative Agent not later than 10:00 A.M. (New York City time) on the third Business Day prior to the date of the proposed Conversion, in the case of any proposed Conversion into Eurodollar Rate Advances, and on the date of the proposed Conversion, in the case of any proposed Conversion into Base Rate Advances, and subject to the provisions of Sections 2.08 and 2.12, Convert all Advances of one Type comprising the same Borrowing into Advances of another Type; *provided, however*, that any Conversion of any Eurodollar Rate Advances into Advances of another Type shall be made on, and only on, the last day of an Interest Period for such Eurodollar Rate Advances, except as otherwise provided in Section 2.12. Each such notice of a Conversion (a "*Notice of Conversion*") shall be by telecopier, confirmed promptly in writing, in substantially the form of Exhibit A-2 hereto and shall, within the restrictions specified above, specify (i) the date of such Conversion, (ii) the aggregate amount of, Type of, and Interest Periods applicable to the Advances to be Converted, (iii) the Type of Advance to which such Advances (or portions thereof) are proposed to be Converted, and (iv) if such Conversion is into or with respect to Eurodollar Rate Advances, the duration of the Interest Period for each such Advance.

#### ***SECTION 2.10. Prepayments of Advances.***

(a) The Borrower shall have no right to prepay any principal amount of any Advances other than as provided in subsection (b) below.

(b) The Borrower may, upon notice given to the Administrative Agent at least two Business Days prior to the proposed prepayment, in the case of any Eurodollar Rate Advance, and on the date of the proposed prepayment, in the case of any Base Rate Advance, and if such notice is given the Borrower shall, prepay the outstanding principal amounts of the Advances



comprising the same Borrowing in whole or ratably in part, together with accrued interest to the date of such prepayment on the amount prepaid and, in the case of any Eurodollar Rate Advance, any amount payable pursuant to Section 8.04(b); *provided, however*, that (i) each partial prepayment shall be in an aggregate principal amount not less than \$5,000,000 and in integral multiples of \$1,000,000 in excess thereof and (ii) in the case of any such prepayment of a Eurodollar Rate Advance, the Borrower shall be obligated to reimburse the Lenders in respect thereof pursuant to Section 8.04(b) on the date of such prepayment.

***SECTION 2.11. Increased Costs.***

(a) If, due to either (i) the introduction of or any change (other than any change by way of imposition or increase of reserve requirements, in the case of Eurodollar Rate Advances, included in the Eurodollar Rate Reserve Percentage), in or in the interpretation of any law or regulation, or (ii) the compliance with any guideline or request from any central bank or other governmental authority (whether or not having the force of law), there shall be any increase in the cost to any Lender of agreeing to make or making, funding or maintaining Eurodollar Rate Advances, then the Borrower shall from time to time, upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for account of such Lender additional amounts sufficient to reimburse such Lender for such increased cost. All claims for increased cost shall be submitted by such Lender to the Borrower (with a copy to the Administrative Agent) as soon as is reasonably possible and in all events within 90 days after such introduction, such change, or the beginning of such compliance, the occurrence of which resulted in such increased cost, and the Borrower shall make such payment within five Business Days after notice of such claim is received; *provided, however*, that if a claim is not submitted to the Borrower within such 90-day period, such Lender shall thereby waive its claim to such increased cost incurred during such 90-day period but not to any such increased cost incurred thereafter. A certificate as to the amount of such increased cost, submitted to the Borrower (with a copy to the Administrative Agent) by such Lender, shall be conclusive and binding for all purposes, absent manifest error.

(b) If any Lender determines that compliance with any law or regulation or any guideline or request from any central bank or other governmental authority (whether or not having the force of law) affects or would affect the amount of capital required or expected to be maintained by such Lender or any corporation controlling such Lender and that the amount of such capital is increased by or based upon the existence of such Lender's commitment to lend hereunder and other commitments of this type, then, upon demand by such Lender (with a copy of such demand to the Administrative Agent), the Borrower shall immediately pay to the Administrative Agent for the account of such Lender, from time to time as specified by such Lender, additional amounts sufficient to compensate such Lender or such corporation in the light of such circumstances, to the extent that such Lender reasonably determines such increase in capital to be allocable to the existence of such Lender's commitment to lend hereunder. All claims for such additional amounts shall be submitted by such Lender (with a copy to the Administrative Agent) as soon as is reasonably possible and in all events within 90 days after such determination by such Lender, and the Borrower shall make such payment within five Business Days after notice of such claim is received; *provided, however*, that if a claim is not submitted to the Borrower within such 90-day period, such Lender shall thereby waive its claim to such additional amounts incurred during such 90-day period but not to any such additional amounts

incurred thereafter. A certificate as to such amounts submitted to the Borrower and the Administrative Agent by such Lender shall be conclusive and binding for all purposes, absent manifest error.

***SECTION 2.12. Illegality.***

Notwithstanding any other provision of this Agreement, if any Lender shall notify the Administrative Agent that the introduction of or any change in or in the interpretation of any law or regulation makes it unlawful, or any central bank or other governmental authority asserts that it is unlawful, for such Lender or its Eurodollar Lending Office to perform its obligations hereunder to make Eurodollar Rate Advances or to fund or maintain Eurodollar Rate Advances hereunder, (i) the obligation of the Lenders to make Eurodollar Rate Advances or to Convert Advances into Eurodollar Rate Advances shall be suspended until the Administrative Agent shall notify the Borrower and the Lenders that the circumstances causing such suspension no longer exist, and (ii) the Borrower shall forthwith prepay in full all Eurodollar Rate Advances of all Lenders then outstanding, together with interest accrued thereon, unless the Borrower, within five Business Days of notice from the Administrative Agent, Converts all Eurodollar Rate Advances of all Lenders then outstanding into Advances of another Type in accordance with Section 2.09.

***SECTION 2.13. Payments and Computations.***

(a) The Borrower shall make each payment hereunder, without condition or deduction for any counterclaim, defense, recoupment or setoff, not later than 11:00 A.M. (New York City time) on the day when due in U.S. dollars to the Administrative Agent at its address referred to in Section 8.02 in same day funds. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest or fees (other than pursuant to Section 2.02(c), 2.07 or 2.11) ratably to the Lenders for the account of their respective Applicable Lending Offices, and like funds relating to the payment of any other amount payable to any Lender to such Lender for the account of its Applicable Lending Office, in each case to be applied in accordance with the terms of this Agreement. Upon its acceptance of an Assignment and Acceptance and recording of the information contained therein in the Register pursuant to Section 8.07(d), from and after the effective date specified in such Assignment and Acceptance, the Administrative Agent shall make all payments hereunder in respect of the interest assigned thereby to the Lender assignee thereunder, and the parties to such Assignment and Acceptance shall make all appropriate adjustments in such payments for periods prior to such effective date directly between themselves.

(b) All computations of interest based on the base rate referred to in clause (i) of the definition of Base Rate shall be made by the Administrative Agent on the basis of a year of 365 or 366 days, as the case may be, and all computations of interest based on the Eurodollar Rate or Federal Funds Rate or of fees payable hereunder shall be made by the Administrative Agent, and all computations of interest pursuant to Section 2.07 shall be made by a Lender, on the basis of a year of 360 days, in each case for the actual number of days (including the first day but excluding the last day) occurring in the period of which such interest or fees are payable. Each determination by the Administrative Agent (or, in the case of Section 2.07, by a Lender) of an interest rate hereunder shall be conclusive and binding for all purposes.

(c) Whenever any payment hereunder shall be stated to be due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day, and such extension of time shall in such case be included in the computation of payment of interest or fees, as the case may be; *provided, however*, that if such extension would cause payment of interest on or principal of Eurodollar Rate Advances to be made in the next following calendar month, such payment shall be made on the next preceding Business Day.

(d) Unless the Administrative Agent shall have received notice from the Borrower prior to the date on which any payment is due to the Lenders hereunder that the Borrower will not make such payment in full, the Administrative Agent may assume that the Borrower has made such payment in full to the Administrative Agent on such date and the Administrative Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent the Borrower shall not have so made such payment in full to the Administrative Agent, each Lender shall repay to the Administrative Agent forthwith on demand such amount distributed to such Lender, together with interest thereon for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to the Administrative Agent at the Federal Funds Rate.

#### ***SECTION 2.14. Sharing of Payments, Etc.***

If any Lender shall obtain any payment (whether voluntary, involuntary, through the exercise of any right of set-off, or otherwise) on account of the Advances made by it (other than pursuant to Section 2.02(c), 2.07 or 2.11) in excess of its ratable share of payments on account of the Advances obtained by all the Lenders, such Lender shall forthwith purchase from the other Lenders such participation in the Advances made by them as shall be necessary to cause such purchasing Lender to share the excess payment ratably with each of them; *provided, however*, that if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, such purchase from each Lender shall be rescinded and such Lender shall repay to the purchasing Lender the purchase price to the extent of such recovery, together with an amount equal to such Lender's ratable share (according to the proportion of (i) the amount of such Lender's required repayment to (ii) the total amount so recovered from the purchasing Lender) of any interest or other amount paid or payable by the purchasing Lender in respect of the total amount so recovered. The Borrower agrees that any Lender so purchasing a participation from another Lender pursuant to this Section 2.14 may, to the fullest extent permitted by law, exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Lender were the direct creditor of the Borrower in the amount of such participation.

### **ARTICLE III CONDITIONS OF LENDING**

#### ***SECTION 3.01. Conditions Precedent to Closing.***

The Commitments of the Lenders shall not become effective unless and until all fees due and payable by the Borrower in connection with this Agreement have been paid and the Administrative Agent shall have received the following:

(a) Promissory notes, in a form acceptable to the Administrative Agent, payable to the order of each Lender that has requested such a note.

(b) Copies of the resolutions of the Board of Directors of the Borrower approving this Agreement and all documents evidencing other necessary corporate action, certified by the Secretary or an Assistant Secretary of the Borrower to be true and correct, and in full force and effect on and as of the date hereof.

(c) A certificate of the Secretary or an Assistant Secretary of the Borrower, dated as of the date hereof, certifying the names and true signatures of the officers of the Borrower authorized to sign this Agreement and the other documents to be delivered hereunder.

(d) A certificate of a Responsible Officer of the Borrower, dated as of the date hereof, certifying (i) the accuracy of the representations and warranties contained herein and (ii) that no event has occurred and is continuing that constitutes an Event of Default or that would constitute an Event of Default but for the requirement that notice be given or time elapse, or both.

(e) Certified copies of all governmental approvals and authorizations required to be obtained in connection with the execution, delivery and performance by the Borrower of this Agreement.

(f) Certified copies of the Restated Charter and By-Laws of the Borrower.

(g) Favorable opinions of R. Alexander Glenn, Associate General Counsel of the Borrower, and of Hunton & Williams, counsel for the Borrower, substantially in the forms of Exhibit C-1 and C-2, respectively, hereto and as to such other matters as any Lender through the Administrative Agent may reasonably request.

(h) A favorable opinion of King & Spalding, counsel for the Arranger, substantially in the form of Exhibit D hereto.

(i) Evidence that all outstanding obligations of the Borrower under the Existing Credit Facility have been paid in full and that the commitments of the lenders under the Existing Credit Facility have been terminated.

***SECTION 3.02. Conditions Precedent to Each Borrowing.***

The obligation of each Lender to make an Advance on the occasion of each Borrowing (including the initial Borrowing) shall be subject to the further conditions precedent that (a) in the case of the making of an Advance, the Administrative Agent shall have received the written confirmatory Notice of Borrowing with respect thereto, (b) on the date of such Borrowing, the following statements shall be true (and the giving of the Notice of Borrowing and the acceptance by the Borrower of the proceeds of such Borrowing shall constitute a representation and warranty by the Borrower that on the date of such Borrowing such statements are true):

(i) The representations and warranties contained in Section 4.01 are true and correct on and as of the date of such Borrowing before and after giving effect to such

Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and

(ii) No event has occurred and is continuing, or would result from such Borrowing or from the application of the proceeds therefrom, that constitutes an Event of Default or that would constitute an Event of Default but for the requirement that notice be given or time elapse, or both;

and (c) the Administrative Agent shall have received such other approvals, opinions and documents as any Lender through the Administrative Agent may reasonably request.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

##### ***SECTION 4.01. Representations and Warranties of the Borrower.***

The Borrower represents and warrants as follows:

(a) Each of the Borrower and each Significant Subsidiary is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated and is duly qualified to do business in and is in good standing under the laws of each other jurisdiction where the nature of its business or the nature of property owned or used by it makes such qualification necessary (except where failure to so qualify would not have a material adverse affect on the financial condition, operations or properties of the Borrower and its Subsidiaries, taken as a whole).

(b) The execution, delivery and performance by the Borrower of this Agreement are within the Borrower's corporate powers, have been duly authorized by all necessary corporate action, and do not contravene (i) the Borrower's charter or by-laws or (ii) any law or contractual restriction binding on or affecting the Borrower or its properties.

(c) No authorization or approval or other action by, and no notice to or filing with any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of this Agreement, other than the SEC Order and the FPSC Order, each of which has been duly issued and is in full force and effect.

(d) This Agreement has been duly executed and delivered by the Borrower and is, and any promissory note when delivered pursuant to Section 2.01(b) will be, the legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms.

(e) The Consolidated balance sheets of the Borrower and its Subsidiaries as at December 31, 2000, and the related Consolidated statements of income and retained earnings of the Borrower and its Subsidiaries for the fiscal year then ended, and the Consolidated balance sheets of the Borrower and its Subsidiaries as at June 30, 2001, and the related Consolidated statements of income and retained earnings of the Borrower and its Subsidiaries, copies of each of which have been furnished to each Lender, fairly present (subject, in the case of such financial

statements dated June 30, 2001, to year end adjustments) the financial condition of the Borrower and its Subsidiaries as at such dates and the results of the operations of the Borrower and its Subsidiaries for the periods ended on such dates, all in accordance with generally accepted accounting principles consistently applied. Since December 31, 2000, there has been no material adverse change in the financial condition, operations or properties of the Borrower and its Subsidiaries, taken as a whole.

(f) Except as described in the reports and registration statements that the Borrower and Parent have filed with the Securities and Exchange Commission prior to the date of this Agreement, there is no pending or threatened action or proceeding affecting the Borrower or any Subsidiary before any court, governmental agency or arbitrator, that may materially adversely affect the financial condition, operations or properties of the Borrower and its Subsidiaries, taken as a whole.

(g) No proceeds of any Advance will be used to acquire any security in any transaction that is subject to Sections 13 and 14 of the Exchange Act.

(h) The Borrower is not engaged in the business of extending credit for the purpose of buying or carrying margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System), and no proceeds of any Advance will be used to buy or carry any margin stock or to extend credit to others for the purpose of buying or carrying any margin stock.

(i) Following application of the proceeds of each Advance, not more than 5% of the value of the assets (either of the Borrower only or of the Borrower and the Subsidiaries on a Consolidated basis) subject to the provisions of Section 5.02(a) or 5.02(e) will be margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System).

(j) No Termination Event has occurred or is reasonably expected to occur with respect to any Plan.

(k) The Borrower is not an "investment company" or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended.

(l) The Borrower is in substantial compliance with all applicable laws, rules, regulations and orders of any governmental authority, the noncompliance with which would materially and adversely affect the business or condition of the Borrower, such compliance to include, without limitation, substantial compliance with ERISA, Environmental Laws and paying before the same become delinquent all material taxes, assessments and governmental charges imposed upon it or upon its property, except to the extent compliance with any of the foregoing is then being contested in good faith by appropriate legal proceedings.

(m) All written information furnished by the Borrower to the Agent and the Lenders in connection with this Agreement (the "*Disclosed Information*") was (and all information furnished in the future by the Borrower to the Agent and the Lenders will be) complete and correct in all respects material to the creditworthiness of the Borrower when delivered. As of the

date hereof, the Disclosed Information does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein not misleading in light of the circumstances under which made.

## ARTICLE V COVENANTS OF THE COMPANY

### *SECTION 5.01. Affirmative Covenants.*

So long as any Advance or any other amount payable by the Borrower hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower shall, unless the Majority Lenders shall otherwise consent in writing:

(a) *Compliance with Laws, Etc.* Except to the extent contested in good faith, comply, and cause each Subsidiary to comply, with all applicable laws, rules, regulations and orders (such compliance to include, without limitation, paying before the same become delinquent all taxes, assessments and governmental charges imposed upon it or upon its property), the non-compliance with which would materially adversely affect the Borrower's business or credit.

(b) *Preservation of Corporate Existence, Etc.* Except as provided in Section 5.02 (d), preserve and maintain, and cause each Significant Subsidiary to preserve and maintain, its corporate existence, rights (charter and statutory) and franchises.

(c) *Visitation Rights.* At any reasonable time and from time to time, permit the Administrative Agent or any of the Lenders or any agents or representatives thereof to examine and make copies of and abstracts from the records and books of account of, and visit the properties of, the Borrower and any Subsidiary, and to discuss the affairs, finances and accounts of the Borrower and any Subsidiary with any of their respective officers or directors.

(d) *Keeping of Books.* Keep, and cause each Subsidiary to keep, proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and such Subsidiary in accordance with generally accepted accounting principles consistently applied.

(e) *Maintenance of Properties, Etc.* Maintain and preserve, and cause each Subsidiary to maintain and preserve, all of its properties that are used or useful in the conduct of its business in good working order and condition, ordinary wear and tear excepted.

(f) *Maintenance of Insurance.* Maintain, and cause each Subsidiary to maintain, insurance with responsible and reputable insurance companies or associations in such amounts and covering such risks as is usually carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Borrower or such Subsidiary operates.

(g) *Taxes.* File, and cause each Subsidiary to file, all tax returns (federal, state and local) required to be filed and paid and pay all taxes shown thereon to be due, including interest and penalties *except*, in the case of taxes, to the extent the Borrower or such Subsidiary is contesting

the same in good faith and by appropriate proceedings and has set aside adequate reserves for the payment thereof in accordance with generally accepted accounting principles.

(h) *Material Obligations.* Pay, and cause each Subsidiary to pay, promptly as the same shall become due each material obligation of the Borrower or such Subsidiary.

(i) *Reporting Requirements.* Furnish to the Lenders:

(i) as soon as available and in any event within 60 days after the end of each of the first three quarters of each fiscal year of the Borrower, a Consolidated balance sheet of the Borrower and the Subsidiaries as at the end of such quarter and Consolidated statements of income and retained earnings of the Borrower and the Subsidiaries for the period commencing at the end of the previous fiscal year and ending with the end of such quarter, certified by the treasurer or the chief financial officer of the Borrower, together with a certificate of the treasurer or chief financial officer of the Borrower, setting forth in reasonable detail the calculation of the Borrower's compliance with Section 5.01(j) and stating that no Event of Default and no event that, with the giving of notice or lapse of time or both, would constitute an Event of Default has occurred and is continuing, or if an Event of Default or such event has occurred and is continuing, a statement setting forth details of such Event of Default or event and the action that the Borrower has taken and proposes to take with respect thereto;

(ii) as soon as available and in any event within 120 days after the end of each fiscal year of the Borrower, a copy of the annual report for such year for the Borrower and the Subsidiaries, containing Consolidated financial statements for such year certified by Deloitte & Touche or other independent public accountants acceptable to the Majority Lenders, together with a certificate of the treasurer or chief financial officer of the Borrower, substantially in the form of Exhibit E hereto, setting forth in reasonable detail the calculation of the Borrower's compliance with Section 5.01(j) and stating that no Event of Default and no event that, with the giving of notice or lapse of time or both, would constitute an Event of Default has occurred and is continuing, or if an Event of Default or such event has occurred and is continuing, a statement setting forth details of such Event of Default or event and the action that the Borrower has taken and proposes to take with respect thereto;

(iii) promptly after the sending or filing thereof, copies of all reports that the Borrower sends to any of its security holders, and copies of all reports and registration statements that the Borrower or any Subsidiary files with the Securities and Exchange Commission or any national securities exchange, to the extent not delivered by the Borrower pursuant to clause (i) or (ii) of this Section 5.01(i);

(iv) immediately upon any Responsible Officer's obtaining knowledge of the occurrence of any Event of Default or any event that, with the giving of notice or lapse of time, or both, would constitute an Event of Default, a statement of the chief financial officer or treasurer of the Borrower setting forth details of such Event of Default or event and the action that the Borrower proposes to take with respect thereto;



(v) immediately upon obtaining knowledge thereof, notice of any change in either the Moody's Rating or the S&P Rating;

(vi) as soon as possible and in any event within five days after the commencement thereof or any adverse determination or development therein, notice of all actions, suits and proceedings that may adversely affect the Borrower's ability to perform its obligations under this Agreement;

(vii) as soon as possible and in any event within five days after the occurrence of a Termination Event, notice of such Termination Event; and

(viii) such other information respecting the condition or operations, financial or otherwise, of the Borrower or any Subsidiary as any Lender through the Administrative Agent may from time to time reasonably request.

(j) *Indebtedness to Total Capitalization.* Maintain at all times a ratio of Consolidated Indebtedness of the Borrower and its Subsidiaries to Total Capitalization of not more than .65:1.0.

(k) *Use of Proceeds.* Use the proceeds of each Advance solely for general corporate purposes (including, in each case, without limitation, as a commercial paper back-up). No proceeds of any Advance will be used to acquire any equity security of a class that is registered pursuant to Section 12 of the Exchange Act, or any security in any transaction that is subject to Sections 13 and 14 of the Exchange Act.

#### ***SECTION 5.02. Negative Covenants.***

So long as any Advance or any other amount payable by the Borrower hereunder shall remain unpaid or any Lender shall have any Commitment hereunder, the Borrower will not, without the written consent of the Majority Lenders:

(a) *Liens, Etc.* Create, incur, assume or suffer to exist, or permit any Subsidiary to create, incur, assume or suffer to exist, any lien, security interest or other charge or encumbrance, or any other type of preferential arrangement, upon or with respect to any of its properties, whether now owned or hereafter acquired, or assign, or permit any Subsidiary to assign, any right to receive income, in each case to secure any Indebtedness of any Person, other than (i) liens, mortgages and security interests created by the Florida Power Mortgage, (ii) liens and security interests against the fuel used by the Borrower in its power generating operations in favor of the suppliers thereof, and (iii) liens, mortgages and security interests securing other Indebtedness of the Borrower and its Subsidiaries not exceeding \$100,000,000 in the aggregate.

(b) *Indebtedness.* Create, incur, assume or suffer to exist, or permit any Subsidiary to create, incur, assume or suffer to exist, any Indebtedness other than (i) Indebtedness hereunder, (ii) Indebtedness secured by liens and security interests permitted pursuant to clauses (ii) and (iii) of subsection 5.02(a), (iii) Indebtedness evidenced by the Florida Power Mortgage Bonds, (iv) unsecured Indebtedness, including guarantees issued in connection with the financing of pollution control facilities operated by the Borrower, guarantees of Indebtedness incurred by any

wholly-owned Subsidiary and guarantees of debt securities issued by any financing Subsidiary established to secure debt financing in the offshore markets, and (v) other Indebtedness outstanding on the date of this Agreement, as described on Schedule II hereto.

(c) *Lease Obligations.* Create, incur, assume or suffer to exist, or permit any Subsidiary to create, incur, assume or suffer to exist, any obligations for the payment of rental for any property under leases or agreements to lease having a term of one year or more that would cause the direct or contingent Consolidated liabilities of the Borrower and its Subsidiaries in respect of all such obligations payable in any calendar year to exceed 10% of the Consolidated operating revenues of the Borrower and its Subsidiaries for the immediately preceding calendar year.

(d) *Mergers, Etc.* Merge with or into or consolidate with or into, or acquire all or substantially all of the assets or securities of, any Person, unless, in each case, (i) immediately after giving effect thereto, no event shall occur and be continuing that constitutes an Event of Default or an event that with the giving of notice or lapse of time, or both, would constitute an Event of Default, and (ii) in the case of any such merger to which the Borrower is a party, such other Person is a utility company and the resulting or surviving corporation, if not the Borrower, (x) is organized and existing under the laws of the United States of America or any State thereof, (y) is a corporation satisfactory to the Majority Lenders, and (z) shall have expressly assumed, by an instrument satisfactory in form and substance to the Majority Lenders, the due and punctual payment of all amounts due under this Agreement and the performance of every covenant and undertaking of the Borrower contained in this Agreement.

(e) *Sales, Etc. of Assets.* Sell, lease, transfer or otherwise dispose of, or permit any Subsidiary to sell, lease, transfer or otherwise dispose of, any of its assets, other than the following sales: (i) sales of generating capacity to the wholesale customers of the Borrower and the Subsidiaries, (ii) sales of nuclear fuel, (iii) sales of accounts receivable, (iv) sales in connection with a transaction authorized by subsection (d) of this Section, (v) sales of investments in securities with a maturity of less than one year, or (vi) other sales not exceeding \$150,000,000 in the aggregate in any fiscal year of the Borrower.

(f) *Margin Stock.* Use any proceeds of any Advance to buy or carry margin stock (within the meaning of Regulation U issued by the Board of Governors of the Federal Reserve System).

(g) *Change in Nature of Business.* Engage, or cause or permit CP&L to engage, in a material manner in businesses other than those in which they are engaged on the date hereof and businesses reasonably related thereto.

## ARTICLE VI EVENTS OF DEFAULT

### *SECTION 6.01. Events of Default.*

If any of the following events (“*Events of Default*”) shall occur and be continuing:

(a) The Borrower shall fail to pay any principal of any Advance when due, or shall fail to pay any interest on the principal amount of any Advance or any fees or other amount payable

hereunder within five Business Days after such interest or fees or other amount shall become due; or

(b) Any representation or warranty made by the Borrower herein or by the Borrower (or any of its officers) in any document delivered pursuant to this Agreement shall prove to have been incorrect in any material respect when made or deemed made; or

(c) The Borrower shall fail to perform or observe any other term, covenant or agreement contained in Section 5.01(b), 5.01(i)(iv), 5.01(j), 5.01(l) or 5.02 on its part to be performed or observed; or the Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed and any such failure shall remain unremedied for 30 days after written notice thereof shall have been given to the Borrower by the Administrative Agent or any Lender; or

(d) The Borrower or any Subsidiary shall fail to pay any amount in respect of any Indebtedness in excess of \$10,000,000 (but excluding Indebtedness hereunder) of the Borrower or such Subsidiary (as the case may be), or any interest or premium thereon, when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) and such failure shall continue after the applicable grace period, if any, specified in the agreement or instrument relating to such Indebtedness; or any other default under any agreement or instrument relating to any such Indebtedness, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to accelerate, or to permit the acceleration of, the maturity of such Indebtedness; or any such Indebtedness shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof; or

(e) The Borrower or any Subsidiary shall generally not pay its debts as such debts become due, or shall admit in writing its inability to pay its debts generally, or shall make a general assignment for the benefit of creditors; or any proceeding shall be instituted by or against the Borrower or any Subsidiary seeking to adjudicate it a bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief, or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking the entry of an order for relief or the appointment of a receiver, trustee, or other similar official for it or for any substantial part of its property; or the Borrower or any Subsidiary shall take any corporate action to authorize any of the actions set forth above in this subsection (e); or

(f) Any judgment or order for the payment of money in excess of \$10,000,000 shall be rendered against the Borrower or any Subsidiary and either (i) enforcement proceedings shall have been commenced by any creditor upon such judgment or order or (ii) there shall be any period of 30 consecutive days during which a stay of enforcement of such judgment or order, by reason of a pending appeal or otherwise, shall not be in effect; or

(g) Any Termination Event with respect to a Plan shall have occurred, and, 30 days after the occurrence thereof, (i) such Termination Event (if correctable) shall not have been corrected and (ii) the then present value of such Plan's vested benefits exceeds the then current value of assets accumulated in such Plan by more than the amount of \$20,000,000 (or in the case of a

Termination Event involving the withdrawal of a “substantial employer” (as defined in Section 4001(a)(2) of ERISA), the withdrawing employer’s proportionate share of such excess shall exceed such amount); or

(h) The Borrower or any of its Affiliates as employer under a Multiemployer Plan shall have made a complete or partial withdrawal from such Multiemployer Plan and the plan sponsor of such Multiemployer Plan shall have notified such withdrawing employer that such employer has incurred a withdrawal liability in an annual amount exceeding \$20,000,000; or

(i) A Change of Control shall occur;

then, and in any such event, the Administrative Agent shall at the request, or may with the consent, of the Majority Lenders, by notice to the Borrower, (i) declare the Commitments and the obligation of each Lender to make Advances to be terminated, whereupon the same shall forthwith terminate, and (ii) declare the principal amount of the Advances then outstanding, all interest thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon such principal amount, all such interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the Borrower; *provided, however*, that in the event of an actual or deemed entry of an order for relief with respect to the Borrower or any Subsidiary under the Federal Bankruptcy Code, (A) the obligation of each Lender to make Advances shall automatically be terminated and (B) the principal amount of the Advances then outstanding, all such interest and all such other amounts shall automatically become and be due and payable, without presentment, demand, protest or any notice of any kind, all of which are hereby expressly waived by the Borrower.

## **ARTICLE VII THE AGENT**

### ***SECTION 7.01. Authorization and Action.***

Each Lender hereby appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably provided for by this Agreement (including, without limitation, enforcement or collection of the Advances), the Administrative Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of the Majority Lenders, and such instructions shall be binding upon all Lenders; *provided, however*, that the Administrative Agent shall not be required to take any action that exposes the Administrative Agent to personal liability or that is contrary to this Agreement or applicable law.

### ***SECTION 7.02. The Agent’s Reliance, Etc.***

Neither the Administrative Agent nor any of its directors, officers, agents or employees shall be liable for any action taken or omitted to be taken by each or any of them under or in connection with this Agreement, except for their own gross negligence or willful misconduct.

Without limitation of the generality of the foregoing, the Administrative Agent: (i) may consult with legal counsel (including counsel for the Borrower), independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken in good faith by it in accordance with the advice of such counsel, accountants or experts; (ii) makes no warranty or representation to any Lender and shall not be responsible to any Lender for any statements, warranties or representations made in or in connection with this Agreement; (iii) shall not have any duty to ascertain or to inquire as to the performance or observance of any of the terms, covenants or conditions of this Agreement on the part of the Borrower or to inspect the property (including the books and records) of the Borrower; (iv) shall not be responsible to any Lender for the due execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; and (v) shall incur no liability under or in respect of this Agreement by acting upon any notice, consent, certificate or other instrument or writing (which may be by telegram, telecopy or e-mail) believed by it to be genuine and signed or sent by the proper party or parties.

***SECTION 7.03. The Agent and its Affiliates.***

With respect to its Commitments and, the Advances made by it, the Administrative shall have the same rights and powers under this Agreement as any other Lender and may exercise the same as though it were not an Administrative Agent; and the term “Lender” or “Lenders” shall, unless otherwise expressly indicated, include each Agent in its individual capacity, as applicable. The Administrative Agent and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of, and generally engage in any kind of business with, the Borrower, any Subsidiary and any Person who may do business with or own securities of the Borrower or any Subsidiary, all as if the Administrative Agent were not the Administrative Agent and without any duty to account therefor to the Lenders.

***SECTION 7.04. Lender Credit Decision.***

Each Lender acknowledges that it has, independently and without reliance upon the Administrative Agent or any other Lender and based on the financial statements referred to in Section 4.01(e) and such other documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Agreement. Each Lender also acknowledges that it will, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement.

***SECTION 7.05. Indemnification.***

The Lenders agree to indemnify the Administrative Agent (to the extent not reimbursed by the Borrower), ratably according to the respective principal amounts of the Advances then held by each of them (or if no Advances are at the time outstanding, ratably according to the respective amounts of their Commitments), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by, or asserted against the Administrative Agent in any way relating to or arising out of this Agreement or any action taken or omitted by the Administrative Agent under this Agreement; *provided* that no Lender shall be

liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the Administrative Agent's gross negligence or willful misconduct. Without limitation of the foregoing, each Lender agrees to reimburse the Administrative Agent promptly upon demand for its ratable share of any out-of-pocket expenses (including reasonable counsel fees) incurred by the Administrative Agent in connection with the preparation, execution, administration, or enforcement of, or legal advice in respect of rights or responsibility under, this Agreement, to the extent that the Administrative Agent is not reimbursed for such expenses by the Borrower.

***SECTION 7.06. Successor Administrative Agent.***

The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Borrower and may be removed at any time with or without cause by the Majority Lenders. Upon any such resignation or removal, the Majority Lenders shall have the right to appoint a successor Administrative Agent. If no successor Administrative Agent shall have been so appointed by the Majority Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation or the Majority Lenders' removal of the retiring Administrative Agent, the Administrative Agent may appoint a successor Administrative Agent, which shall be a commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least \$500,000,000. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor Administrative Agent, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent, and the retiring Administrative Agent shall be discharged from its duties and obligations under this Agreement. After any retiring Administrative Agent's resignation or removal hereunder as Administrative Agent, the provisions of this Article VII shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent under this Agreement.

***SECTION 7.07. Other Agents.***

Each party to this Agreement hereby agrees that the "syndication agent" so identified on the cover page of this Agreement shall have no right, power, obligation, liability, responsibility or duty under this Agreement and shall not have or be deemed to have any fiduciary relationship with any Lender.

**ARTICLE VIII  
MISCELLANEOUS**

***SECTION 8.01. Amendments, Etc.***

No amendment or waiver of any provision of this Agreement, nor consent to any departure by the Borrower therefrom, shall in any event be effective unless the same shall be in writing and signed by the Majority Lenders, in the case of any such amendment, waiver or consent of or in respect of this Agreement, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given; *provided, however*, that no amendment, waiver or consent shall, unless in writing and signed by all of the Lenders, do

any of the following: (i) waive any of the conditions specified in Section 3.01 or 3.02, (ii) increase the Commitment of any Lender or subject any Lender to any additional obligations, (iii) reduce, or waive the payment of, the principal of, or interest on, the Advances or any fees or other amounts payable to the Lenders ratably hereunder, (iv) postpone any date fixed for any payment of principal of, or interest on, the Advances or any fees or other amounts payable to the Lenders ratably hereunder, (v) change the percentage of the Commitments or of the aggregate unpaid principal amount of the Advances, or the number of Lenders, which shall be required for the Lenders or any of them to take any action under this Agreement, or (vi) amend, waive, or in any way modify or suspend any provision requiring the pro rata application of payments or of this Section 8.01; *provided further*, that no amendment, waiver or consent shall, unless in writing and signed by each Lender affected thereby, reduce, waive or postpone the date of payment of any amount payable to such Lender, other than any such amount payable to the Lenders ratably; and *provided, further*, that (A) no amendment, waiver or consent shall, unless in writing and signed by the Administrative Agent in addition to the Lenders required hereinabove to take such action, affect the rights or duties of such Administrative Agent under this Agreement and (B) this Agreement may be amended and restated without the consent of any Lender or the Administrative Agent if, upon giving effect to such amendment and restatement, such Lender or Administrative Agent, as the case may be, shall no longer be a party to this Agreement (as so amended and restated) or have any Commitment or other obligation hereunder and shall have been paid in full all amounts payable hereunder to such Lender or Administrative Agent, as the case may be.

#### ***SECTION 8.02. Notices, Etc.***

All notices and other communications provided for hereunder shall, unless otherwise stated herein, be in writing (including telegraphic communication) and mailed, telecopied, e-mailed or delivered, if to the Borrower, at its address c/o Progress Energy, Inc., 410 S. Wilmington Street, PEB 19A3, Raleigh, North Carolina 27601, Attention: Director of Financial Operations, Treasury Department, Facsimile no. (919) 546-7826, e-mail: [charles.beuris@pgnmail.com](mailto:charles.beuris@pgnmail.com); if to any Lender, at its Domestic Lending Office set forth opposite its name on Schedule I hereto; and if to the Administrative Agent, at its address at Bank of America, N.A., 901 Main Street, Dallas, Texas 75202, Attention: Jarrod Martin, Telephone: 214-209-1225, Facsimile no.: (214) 290-9404, e-mail: [jarrod.martin@bankofamerica.com](mailto:jarrod.martin@bankofamerica.com) or, as to each party, at such other address as shall be designated by such party in a written notice to the other parties. All such notices and communications shall be effective when received by the addressee thereof.

#### ***SECTION 8.03. No Waiver; Remedies.***

No failure on the part of any Lender or the Administrative Agent to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

**SECTION 8.04. Costs, Expenses, Taxes and Indemnification.**

(a) The Borrower agrees to pay on demand all costs and expenses of the Administrative Agent (and as described in clause (iv) below, the Lenders) in connection with (i) the preparation, execution, negotiation, syndication and delivery of this Agreement and the other documents to be delivered hereunder, (ii) the first Borrowing under this Agreement, (iii) any modification, amendment or supplement to this Agreement and the other documents to be delivered hereunder and (iv) the enforcement of the rights and remedies of the Lenders and the Administrative Agent under this Agreement and the other documents to be delivered hereunder (whether through negotiations or legal proceedings), all the above costs and expenses to include, without limitation, the reasonable fees and out-of-pocket expenses of counsel for the Administrative Agent and each of the Lenders with respect thereto. In addition, the Borrower shall pay any and all stamp and other taxes payable or determined to be payable in connection with the execution and delivery of this Agreement and the other documents to be delivered hereunder, and agrees to save the Administrative Agent and each Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes.

(b) If (i) due to payments made by the Borrower due to the acceleration of the maturity of the Advances pursuant to Section 6.01 or due to any other reason, any Lender receives payments of principal of any Eurodollar Rate Advance based upon the Eurodollar Rate other than on the last day of the Interest Period for such Advance, or (ii) due to any Conversion of Eurodollar Advance other than on the last day of an Interest Period pursuant to Section 2.12, the Borrower shall, upon demand by such Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any additional losses, costs or expenses that it may reasonably incur as a result of such payment, including, without limitation, any loss (including loss of anticipated profits), cost or expense incurred by reason of the liquidation or reemployment of deposits or other funds acquired by any Lender to fund or maintain such Advance. In addition, if the Borrower fails to prepay any Advance on the date for which notice of prepayment has been given, the Borrower shall, upon demand by any Lender (with a copy of such demand to the Administrative Agent), pay to the Administrative Agent for the account of such Lender any amounts required to compensate such Lender for any losses, costs or expenses (including loss of anticipated profits) that it may reasonably incur as a result of such prepayment not having been made on the date specified by the Borrower for such prepayment.

(c) Any and all payments by the Borrower hereunder shall be made, in accordance with Section 2.13, free and clear of and without deduction for any and all present or future taxes, levies, imposts, deductions, charges or withholdings, and all liabilities with respect thereto, *excluding*, in the case of each Lender and the Administrative Agent, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction under the laws of which such Lender or Agent (as the case may be) is organized or any political subdivision thereof and, in the case of each Lender, taxes imposed on its income, and franchise taxes imposed on it, by the jurisdiction of such Lender's Applicable Lending Office or any political subdivision thereof (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings and liabilities being hereinafter referred to as "**Taxes**"). If the Borrower shall be required by law to deduct any Taxes from or in respect of any sum payable hereunder to any Lender or Agent, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including



deductions applicable to additional sums payable under this Section 8.04) such Lender or Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law.

(d) The Borrower will indemnify each Lender and the Administrative Agent for the full amount of Taxes (including, without limitation, any Taxes imposed by any jurisdiction on amounts payable under this Section 8.04) paid by such Lender or Agent (as the case may be) and any liability (including penalties, interest and expenses) arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally asserted. This indemnification shall be made within 30 days from the date such Lender or Agent (as the case may be) makes written demand therefor.

(e) Prior to the date of the initial Borrowing or on the date of the Assignment and Acceptance pursuant to which it became a Lender, in the case of each Lender that becomes a Lender by virtue of entering into an Assignment and Acceptance, and from time to time thereafter if requested by the Borrower or the Administrative Agent, each Lender organized under the laws of a jurisdiction outside the United States shall provide the Administrative Agent and the Borrower with the forms prescribed by the Internal Revenue Service of the United States certifying that such Lender is exempt from United States withholding taxes with respect to all payments to be made to such Lender hereunder. If for any reason during the term of this Agreement, any Lender becomes unable to submit the forms referred to above or the information or representations contained therein are no longer accurate in any material respect, such Lender shall notify the Administrative Agent and the Borrower in writing to that effect. Unless the Borrower and the Administrative Agent have received forms or other documents satisfactory to them indicating that payments hereunder are not subject to United States withholding tax, the Borrower or the Administrative Agent shall withhold taxes from such payments at the applicable statutory rate in the case of payments to or for any Lender organized under the laws of a jurisdiction outside the United States.

(f) Any Lender claiming any additional amounts payable pursuant to Section 8.04(c) or (d) shall use its reasonable efforts (consistent with its internal policy and legal and regulatory restrictions) (i) to change the jurisdiction of its Applicable Lending Office if the making of such a change would avoid the need for, or reduce the amount of, any such additional amounts that may thereafter accrue and would not, in the reasonable judgment of such Lender, be otherwise disadvantageous to such Lender and (ii) to otherwise minimize the amounts due, or to become due, under Sections 8.04(c) and (d).

(g) If the Borrower makes any additional payment to any Lender pursuant to Sections 8.04(c) and (d) in respect of any Taxes, and such Lender determines that it has received (i) a refund of such Taxes or (ii) a credit against or relief or remission for, or a reduction in the amount of, any tax or other governmental charge solely as a result of any deduction or credit for any Taxes with respect to which it has received payments under Sections 8.04(c) and (d), such Lender shall, to the extent that it can do so without prejudice to the retention of such refund, credit, relief, remission or reduction, pay to the Borrower such amount as such Lender shall have determined to be attributable to the deduction or withholding of such Taxes. If such Lender later

determines that it was not entitled to such refund, credit, relief, remission or reduction to the full extent of any payment made pursuant to the first sentence of this Section 8.04(g), the Borrower shall upon demand of such Lender promptly repay the amount of such overpayment. Any determination made by such Lender pursuant to this Section 8.04(g) shall in the absence of bad faith or manifest error be conclusive, and nothing in this Section 8.04(g) shall be construed as requiring any Lender to conduct its business or to arrange or alter in any respect its tax or financial affairs so that it is entitled to receive such a refund, credit or reduction or as allowing any Person to inspect any records, including tax returns, of any Lender.

(h) The Borrower hereby agrees to indemnify and hold harmless each Lender, the Administrative Agent, counsel to the Administrative Agent and their respective officers, directors, partners, employees, Affiliates and advisors (each, an “*Indemnified Person*”) from and against any and all claims, damages, losses, liabilities, costs, or expenses (including reasonable attorney’s fees and expenses, whether or not such Indemnified Person is named as a party to any proceeding or is otherwise subjected to judicial or legal process arising from any such proceeding), joint and several, that may be incurred by or asserted or awarded against any Indemnified Person (including, without limitation, in connection with any investigation, litigation or proceeding or the preparation of a defense in connection therewith) in each case by reason of or in connection with the execution, delivery, or performance of this Agreement, or the use by the Borrower of the proceeds of any Advance, except to the extent that such claims, damages, losses, liabilities, costs, or expenses are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted solely from the gross negligence or willful misconduct of the party seeking indemnification.

(i) Without prejudice to the survival of any other agreement of the Borrower hereunder, the agreements and obligations of the Borrower contained in this Section 8.04 shall survive the payment in full of principal and interest hereunder and the termination of the Commitments.

***SECTION 8.05. Right of Set-off.***

Upon (i) the occurrence and during the continuance of any Event of Default and (ii) the making of the request or the granting of the consent specified by Section 6.01 to authorize the Administrative Agent to declare the Advances due and payable pursuant to the provisions of Section 6.01, each Lender is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Lender to or for the credit or the account of the Borrower now or hereafter existing under this Agreement, irrespective of whether or not such Lender shall have made any demand under this Agreement and although such obligations may be unmatured. Each Lender agrees promptly to notify the Borrower after any such set-off and application made by such Lender; *provided* that the failure to give such notice shall not affect the validity of such set-off and application. The rights of each Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) that such Lender may have.

***SECTION 8.06. Binding Effect.***

This Agreement shall become effective when it shall have been executed by the Borrower and the Administrative Agent and when the Administrative Agent shall have been notified by each Lender that such Lender has executed it and thereafter shall be binding upon and inure to the benefit of the Borrower, the Administrative Agent and each Lender and their respective successors and assigns, except that the Borrower shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of each Lender.

***SECTION 8.07. Assignments and Participations.***

(a) Each Lender may, with the consent of the Administrative Agent and the Borrower (such consent not to be unreasonably withheld or delayed and, in the case of the Borrower, such consent shall not be required if an Event of Default has occurred and is continuing), assign to one or more banks or other entities all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the Advances owing to it); *provided, however*, that (i) each such assignment shall be of a constant, and not a varying, percentage of all rights and obligations under this Agreement, (ii) the amount of the Commitment of the assigning Lender being assigned pursuant to each such assignment (determined as of the date of the Assignment and Acceptance with respect to such assignment) shall in no event be less than the lesser of (A) \$5,000,000 and (B) all of such Lender's rights and obligations and, if the preceding clause (A) is applicable, shall be an integral multiple of \$1,000,000, (iii) each such assignment shall be to an Eligible Assignee, and (iv) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register, an Assignment and Acceptance and such parties (other than when Bank of America is an assigning party) shall also deliver to the Administrative Agent a processing and recordation fee of \$3,500. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, (x) the assignee thereunder shall be a party hereto and, to the extent that rights and obligations hereunder have been assigned to it pursuant to such Assignment and Acceptance, have the rights and obligations of a Lender hereunder and (y) the Lender assignor thereunder shall, to the extent that rights and obligations hereunder have been assigned by it pursuant to such Assignment and Acceptance, relinquish its rights and be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of an assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto).

(b) By executing and delivering an Assignment and Acceptance, the Lender assignor thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than as provided in such Assignment and Acceptance, such assigning Lender makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of this Agreement or any other instrument or document furnished pursuant hereto; (ii) such assigning Lender makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under this Agreement or any other instrument or document furnished pursuant hereto;

(iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the financial statements referred to in Section 4.01(e) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the Administrative Agent, such assigning Lender or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee confirms that it is an Eligible Assignee; (vi) such assignee appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under this Agreement as are delegated to the Administrative Agent by the terms hereof, together with such powers as are reasonably incidental thereto; and (vii) such assignee agrees that it will perform in accordance with their terms all of the obligations that by the terms of this Agreement are required to be performed by it as a Lender.

(c) The Administrative Agent shall maintain at its address referred to in Section 8.02 a copy of each Assignment and Acceptance (and copies of the related consents of the Borrower and the Administrative Agent to such assignment) delivered to and accepted by it and a register for the recordation of the names and addresses of the Lenders and the Commitment of, and principal amount of the Advances owing to, each Lender from time to time (the "**Register**"). The entries in the Register shall be conclusive and binding for all purposes, absent manifest error, and the Borrower, the Administrative Agent and the Lenders may treat each Person whose name is recorded in the Register as a Lender hereunder for all purposes of this Agreement. The Register shall be available for inspection by the Borrower or any Lender at any reasonable time and from time to time upon reasonable prior notice.

(d) Upon its receipt of an Assignment and Acceptance executed by an assigning Lender and an assignee representing that it is an Eligible Assignee, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in substantially the form of Exhibit B hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt notice thereof to the Borrower.

(e) Each Lender may assign to one or more banks or other entities any Advance made by it.

(f) Each Lender may sell participations to one or more banks or other entities in or to all or a portion of its rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment, the Advances owing to it); *provided, however*, that (i) such Lender's obligations under this Agreement (including, without limitation, its Commitment to the Borrower hereunder) shall remain unchanged, (ii) such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) such Lender shall remain the holder of any promissory note held pursuant to Section 2.01(b) for all purposes of this Agreement, (iv) the Borrower, the Administrative Agent and the other Lenders shall continue to deal solely and directly with such Lender in connection with such Lender's rights and obligations under this Agreement and (v) the holder of any such participation, other than an Affiliate of such Lender, shall not be entitled to require such Lender to take or omit to take any action hereunder, except action (A) extending the time for payment of interest on, or the final maturity of any portion of the principal amount of, the Advances or (B) reducing the principal amount of or the

rate of interest payable on the Advances. Without limiting the generality of the foregoing: (i) such participating banks or other entities shall be entitled to the cost protection provisions contained in Sections 2.08, 2.12 and 8.04(b) only if, and to the same extent, the Lender from which such participating banks or other entities acquired its participation would, at the time, be entitled to claim thereunder; and (ii) such participating banks or other entities shall also, to the fullest extent permitted by law, be entitled to exercise the rights of set-off contained in Section 8.05 as if such participating banks or other entities were Lenders hereunder.

(g) If any Lender (or any bank, financial institution, or other entity to which such Lender has sold a participation) shall make any demand for payment under Section 2.11(b), then within 30 days after any such demand (if, but only if, such demanded payment has been made by the Borrower), the Borrower may, with the approval of the Administrative Agent (which approval shall not be unreasonably withheld) demand that such Lender assign in accordance with this Section 8.07 to one or more Eligible Assignees designated by the Borrower all (but not less than all) of such Lender's Commitment (if any) and the Advances owing to it within the period ending on the later to occur of such 30th day and the last day of the longest of the then current Interest Periods for such Advances, *provided* that (i) no Event of Default or event that, with the passage of time or the giving of notice, or both, would constitute an Event of Default shall then have occurred and be continuing, (ii) the Borrower shall have satisfied all its presently due obligations to such Lender under this Agreement, and (iii) if such Eligible Assignee designated by the Borrower is not an existing Lender on the date of such demand, the Borrower shall have delivered to the Administrative Agent an administrative fee of \$3,500. If any such Eligible Assignee designated by the Borrower shall fail to consummate such assignment on terms acceptable to such Lender, or if the Borrower shall fail to designate any such Eligible Assignees for all or part of such Lender's Commitment or Advances, then such demand by the Borrower shall become ineffective; it being understood for purposes of this subsection (g) that such assignment shall be conclusively deemed to be on terms acceptable to such Lender, and such Lender shall be compelled to consummate such assignment to an Eligible Assignee designated by the Borrower, if such Eligible Assignee (i) shall agree to such assignment by entering into an Assignment and Acceptance in substantially the form of Exhibit B hereto with such Lender and (ii) shall offer compensation to such Lender in an amount equal to all amounts then owing by the Borrower to such Lender hereunder made by the Borrower to such Lender, whether for principal, interest, fees, costs or expenses (other than the demanded payment referred to above and payable by the Borrower as a condition to the Borrower's right to demand such assignment), or otherwise.

(h) Any Lender may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 8.07, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower furnished to such Lender by or on behalf of the Borrower; *provided* that, prior to any such disclosure, the assignee or participant or proposed assignee or participant shall agree to preserve the confidentiality of any confidential information relating to the Borrower received by it from such Lender.

(i) Anything in this Section 8.07 to the contrary notwithstanding, any Lender may (i) assign and pledge all or any portion of its Commitment and the Advances owing to it to any Federal Reserve Bank (and its transferees) as collateral security pursuant to Regulation A of the Board of Governors of the Federal Reserve System and any Operating Circular issued by such

Federal Reserve Bank; *provided*, that no such assignment shall release the assigning Lender from its obligations hereunder; or (ii) assign its Commitments, Advances and other rights and obligations hereunder to any of its Affiliates upon notice to, but without the consent of, the Borrower and the Administrative Agent.

(j) Notwithstanding anything to the contrary contained herein, any Lender (a “*Granting Lender*”) may grant to a special purpose funding vehicle (an “*SPC*”) of such Granting Lender identified as such in writing from time to time by the Granting Lender to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Advance that such Granting Lender would otherwise be obligated to make to the Borrower pursuant to this Agreement; *provided* that (i) nothing herein shall constitute a commitment by any such SPC to make any Advance, (ii) if such SPC elects not to exercise such option or otherwise fails to provide all or any part of such Advance, the Granting Lender shall be obligated to make such Advance pursuant to the terms hereof and (iii) no SPC or Granting Lender shall be entitled to receive any greater amount pursuant to Section 2.07 or 2.11 than the Granting Lender would have been entitled to receive had the Granting Lender not otherwise granted such SPC the option to provide any Advance to the Borrower. The making of an Advance by an SPC hereunder shall utilize the Commitment of the Granting Lender to the same extent, and as if, such Advance were made by such Granting Lender. Each party hereto hereby agrees that no SPC shall be liable for any indemnity or similar payment obligation under this Agreement for which a Lender would otherwise be liable so long as, and to the extent that, the related Granting Lender provides such indemnity or makes such payment. In furtherance of the foregoing, each party hereto hereby agrees (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all outstanding commercial paper or other senior indebtedness of any SPC, it will not institute against or join any other person in instituting against such SPC any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof. Notwithstanding the foregoing, the Granting Lender unconditionally agrees to indemnify the Borrower, the Administrative Agent and each Lender against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be incurred by or asserted against the Borrower, the Administrative Agent or such Lender, as the case may be, in any way relating to or arising as a consequence of any such forbearance or delay in the initiation of any such proceeding against its SPC. Each party hereto hereby acknowledges and agrees that no SPC shall have the rights of a Lender hereunder, such rights being retained by the applicable Granting Lender. Accordingly, and without limiting the foregoing, each party hereby further acknowledges and agrees that no SPC shall have any voting rights hereunder and that the voting rights attributable to any Advance made by an SPC shall be exercised only by the relevant Granting Lender and that each Granting Lender shall serve as the administrative agent and attorney-in-fact for its SPC and shall on behalf of its SPC receive any and all payments made for the benefit of such SPC and take all actions hereunder to the extent, if any, such SPC shall have any rights hereunder. In addition, notwithstanding anything to the contrary contained in this Agreement any SPC may with notice to, but without the prior written consent of any other party hereto, assign all or a portion of its interest in any Advances to the Granting Lender. This Section may not be amended without the prior written consent of each Granting Lender, all or any part of whose Advance is being funded by an SPC at the time of such amendment.

***SECTION 8.08. Governing Law.***

This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York. The Borrower (i) irrevocably submits to the non-exclusive jurisdiction of any New York State court or Federal court sitting in New York City in any action arising out of this Agreement, (ii) agrees that all claims in such action may be decided in such court, (iii) waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum and (iv) consents to the service of process by mail. A final judgment in any such action shall be conclusive and may be enforced in other jurisdictions. Nothing herein shall affect the right of any party to serve legal process in any manner permitted by law or affect its right to bring any action in any other court.

***SECTION 8.09. WAIVER OF JURY TRIAL.***

**THE BORROWER, THE ADMINISTRATIVE AGENT AND EACH LENDER EACH HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT IT MAY EFFECTIVELY AND LAWFULLY DO SO, ALL RIGHT TO TRIAL BY JURY AS TO ANY ISSUE RELATING TO THIS AGREEMENT IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER INSTRUMENT OR DOCUMENT DELIVERED HEREUNDER OR THEREUNDER.**

***SECTION 8.10. Execution in Counterparts.***

This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

***SECTION 8.11. Severability.***

Any provision of this Agreement that is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

***SECTION 8.12. Headings.***

Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose.

***SECTION 8.13. Entire Agreement.***

This Agreement constitutes the entire contract between the parties relative to the subject matter hereof. Any previous agreement among the parties with respect to the subject matter hereof is superseded by this Agreement. Except as is expressly provided for herein, nothing in this Agreement, expressed or implied, is intended to confer upon any party other than the parties hereto any rights, remedies, obligations or liabilities under or by reason of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

FLORIDA POWER CORPORATION

By \_\_\_\_\_  
Thomas R. Sullivan  
Treasurer



BANK OF AMERICA, N.A., as Administrative  
Agent and Lender

By \_\_\_\_\_  
Name:  
Title:

MERRILL LYNCH BANK USA

By \_\_\_\_\_  
Name:  
Title:

BANK ONE, NA

By \_\_\_\_\_  
Name:  
Title:

NORTHERN TRUST

By \_\_\_\_\_  
Name:  
Title:

SUNTRUST BANK

By \_\_\_\_\_  
Name:  
Title:

## SCHEDULE I

### FLORIDA POWER CORPORATION

#### List of Commitments and Applicable Lending Offices

<u>Name of Bank</u>	<u>Eurodollar Lending Office</u>	<u>Domestic Lending Office</u>	<u>Commitment</u>
Bank of America, N.A.	901 Main Street Dallas, Texas 75202  Attention: Jarrod Martin	Same as Eurodollar Lending Office	\$21,900,000
Bank One, NA	1 Bank One Plaza, Suite 0363 Chicago, Illinois 60670-0363  Attention: Madeleine Pember	Same as Eurodollar Lending Office	\$17,800,000
Merrill Lynch Bank USA	15 W. South Temple Suite 300 Salt Lake City, UT 84101  Attention: Frank Stepan	Same as Eurodollar Lending Office	\$100,000,000
Northern Trust	50 S. LaSalle Chicago, IL 60675  Attention: Chris McKean	Same as Eurodollar Lending Office	\$12,500,000
SunTrust Bank	200 South Orange Avenue Orlando, Florida 32801  Attention: William Barr	Same as Eurodollar Lending Office	\$17,800,000

**SCHEDULE II**

***Permitted Existing Indebtedness***

None.

**EXHIBIT A-1**

**NOTICE OF BORROWING**

[Date]

Bank of America, N.A., as Administrative Agent  
for the Lenders parties to the  
Credit Agreement referred to below  
[Address]

Attention: \_\_\_\_\_

Ladies and Gentlemen:

The undersigned, FLORIDA POWER CORPORATION refers to the Credit Agreement, dated as of December 18, 2001 (the "*Credit Agreement*", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders from time to time parties thereto and BANK OF AMERICA, N.A., as Administrative Agent for the Lenders, and hereby gives you notice pursuant to Section 2.02 of the Credit Agreement that the undersigned hereby requests a Borrowing under the Credit Agreement, and in that connection sets forth below the information relating to such Borrowing (the "*Proposed Borrowing*") as required by Section 2.02(a) of the Credit Agreement:

- (i) The Business Day of the Proposed Borrowing is \_\_\_\_\_, 20\_\_\_\_.
- (ii) The Type of Advances comprising the Proposed Borrowing is [Base Rate Advances][Eurodollar Rate Advances].
- (iii) The aggregate amount of the Proposed Borrowing is \$\_\_\_\_.
- (iv) The Interest Period for each Eurodollar Rate Advance that is an Advance made as part of the Proposed Borrowing is \_\_\_\_\_ months.

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the Proposed Borrowing:

- (i) the representations and warranties contained in Section 4.01 of the Credit Agreement are true and correct, before and after giving effect to the Proposed Borrowing and to the application of the proceeds therefrom, as though made on and as of such date; and
- (ii) no event has occurred and is continuing, or would result from such Proposed Borrowing or from the application of the proceeds therefrom, that constitutes



an Event of Default or would constitute an Event of Default but for the requirement that notice be given or time elapse or both.

Very truly yours,

FLORIDA POWER CORPORATION

By \_\_\_\_\_

Name:

Title:

**EXHIBIT A-2**

**NOTICE OF CONVERSION**

[Date]

Bank of America, N.A., as Administrative Agent  
for the Lenders parties to the  
Credit Agreement referred to below  
[Address]

Attention: \_\_\_\_\_

Ladies and Gentlemen:

The undersigned, FLORIDA POWER CORPORATION refers to the Credit Agreement, dated as of December 18, 2001 (the "**Credit Agreement**", the terms defined therein being used herein as therein defined), among the undersigned, certain Lenders from time to time parties thereto and BANK OF AMERICA, N.A., as Administrative Agent for the Lenders, and hereby gives you notice pursuant to Section 2.09 of the Credit Agreement that the undersigned hereby requests a Conversion under the Credit Agreement, and in that connection sets forth the terms on which such Conversion (the "**Proposed Conversion**") is requested to be made:

(i) The Business Day of the Proposed Conversion is \_\_\_\_\_,  
20\_\_\_\_.

(ii) The Type of, and Interest Period applicable to, the Advances (or portions thereof) proposed to be Converted: \_\_\_\_\_.

(iii) The Type of Advance to which such Advances (or portions thereof) are proposed to be Converted: \_\_\_\_\_.

(iv) Except in the case of a Conversion to Base Rate Advances, the initial Interest Period to be applicable to the Advances resulting from such Conversion:  
\_\_\_\_\_.

(v) The aggregate amount of Advances (or portions thereof) proposed to be Converted is \$\_\_\_\_\_.

The undersigned hereby certifies that, on the date hereof, and on the date of the Proposed Conversion, no event has occurred and is continuing, or would result from such Proposed Conversion, that constitutes an Event of Default.

Very truly yours,

FLORIDA POWER CORPORATION

By \_\_\_\_\_

Name:

Title:

## EXHIBIT B

### ASSIGNMENT AND ACCEPTANCE

Dated \_\_\_\_\_, 20\_\_

Reference is made to the Credit Agreement, dated as of December 18, 2001 (as amended, modified and supplemented from time to time, the "*Credit Agreement*", the terms defined therein being used herein as therein defined), among FLORIDA POWER CORPORATION, certain Lenders (as defined in the Credit Agreement) from time to time parties thereto and BANK OF AMERICA, N.A., as Administrative Agent (the "*Administrative Agent*") for the Lenders.

\_\_\_\_\_ (the "*Assignor*") and \_\_\_\_\_ (the "*Assignee*") agree as follows:

1. The Assignor hereby sells and assigns to the Assignee, and the Assignee hereby purchases and assumes from the Assignor, that interest in and to all of the Assignor's rights and obligations under the Credit Agreement as of the date hereof that represents the percentage interest specified on Schedule 1 of all outstanding rights and obligations under the Credit Agreement, including, without limitation, such interest in the Assignor's Commitment (to the extent it has not been terminated), the Advances owing to the Assignor. After giving effect to such sale and assignment, the Assignee's Commitment (if any) and the amount of the Advances owing to the Assignee will be as set forth in Section 2 of Schedule 1.

2. The Assignor (i) represents and warrants that it is the legal and beneficial owner of the interest being assigned by it hereunder and that such interest is free and clear of any adverse claim; (ii) makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with the Credit Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Credit Agreement or any other instrument or document furnished pursuant thereto; and (iii) makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or the performance or observance by the Borrower of any of its obligations under the Credit Agreement or any other instrument or document furnished pursuant thereto.

3. The Assignee (i) confirms that it has received a copy of the Credit Agreement, together with copies of the financial statements referred to in Section 4.01(e) thereof and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance; (ii) agrees that it will, independently and without reliance upon the Administrative Agent, the Assignor or any other Lender and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Credit Agreement; (iii) confirms that it is an Eligible Assignee; (iv) appoints and authorizes the Administrative Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to the Administrative Agent by the terms thereof, together with such powers as are

reasonably incidental thereto; (v) agrees that it will perform in accordance with their terms all of the obligations that by the terms of the Credit Agreement are required to be performed by it as a Lender; [and] (vi) specifies as its Domestic Lending Office (and address for notices) and Eurodollar Lending Office the offices set forth beneath its name on the signature pages hereof [and (vii) attaches the forms prescribed by the Internal Revenue Service of the United States certifying as to the Assignee's status for purposes of determining exemption from United States withholding taxes with respect to all payments to be made to the Assignee under the Credit Agreement or such other documents as are necessary to indicate that all such payments are subject to such rates at a rate reduced by an applicable tax treaty].<sup>1</sup>

4. Following the execution of this Assignment and Acceptance by the Assignor and the Assignee, it will be delivered to the Administrative Agent for acceptance and recording by the Administrative Agent. The effective date of this Assignment and Acceptance shall be the date of acceptance thereof by the Administrative Agent, unless otherwise specified on Schedule 1 hereto (the "*Effective Date*").

5. Upon such acceptance and recording by the Administrative Agent, as of the Effective Date, (i) the Assignee shall be a party to the Credit Agreement and, to the extent provided in this Assignment and Acceptance, have the rights and obligations of a Lender thereunder and (ii) the Assignor shall, to the extent provided in this Assignment and Acceptance, relinquish its rights and be released from its obligations under the Credit Agreement.

6. Upon such acceptance and recording by the Administrative Agent, from and after the Effective Date, the Administrative Agent shall make all payments under the Credit Agreement in respect of the interest assigned hereby (including, without limitation, all payments of principal, interest and commitment fees with respect thereto) to the Assignee. The Assignor and Assignee shall make all appropriate adjustments in payments under the Credit Agreement for periods prior to the Effective Date directly between themselves.

7. This Assignment and Acceptance shall be governed by, and construed in accordance with, the laws of the State of New York.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]**

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<sup>1</sup>If the Assignee is organized under the laws of a jurisdiction outside the United States.

IN WITNESS WHEREOF, the parties hereto have caused this Assignment and Acceptance to be executed by their respective officers thereunto duly authorized, as of the date first above written, such execution being made on Schedule 1 hereto.

[NAME OF ASSIGNOR]

[NAME OF ASSIGNEE]

By \_\_\_\_\_  
Name:  
Title:

By \_\_\_\_\_  
Name:  
Title:

Domestic Lending Office (and  
address for notices):  
[Address]

Eurodollar Lending Office:  
[Address]

Accepted this \_\_ day  
of \_\_\_\_\_, 20\_\_

BANK OF AMERICA, N.A.,  
as Administrative Agent

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

FLORIDA POWER CORPORATION<sup>2</sup>

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

\_\_\_\_\_  
<sup>2</sup> If required.

**SCHEDULE 1  
TO  
ASSIGNMENT AND ACCEPTANCE**

**Dated \_\_\_\_\_, 20\_\_**

Section 1

Percentage Interest Assigned: \_\_\_\_\_%

Section 2

Assignee's Commitment: \$

Aggregate Outstanding Principal Amount of  
Advances owing to Assignee: \$

Section 3

Effective Date<sup>3</sup>

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<sup>3</sup> This date should be no earlier than the date of acceptance by the Administrative Agent.

**EXHIBIT C-1**

**FORM OF OPINION OF ASSOCIATE GENERAL COUNSEL TO THE COMPANY**

[December \_\_, 2001]

To each of the Lenders parties to the Credit Agreement referred to below and to Bank of America, N.A., as Administrative Agent

Re: Florida Power Corporation

Ladies and Gentlemen:

This opinion is furnished to you by me as Associate General Counsel to Florida Power Corporation (the "**Borrower**") pursuant to Section 3.01(g) of the Credit Agreement, dated as of December 18, 2001 (the "**Credit Agreement**", the terms defined therein being used herein as therein defined), among Florida Power Corporation, certain lenders named therein (the "**Lenders**") and Bank of America, N.A., as Administrative Agent for the Lenders.

In connection with the preparation, execution and delivery of the Credit Agreement, I have examined:

- (1) The Credit Agreement.
- (2) The documents furnished by the Borrower pursuant to Section 3.01 of the Credit Agreement.
- (3) The Amended and Restated Articles of Incorporation of the Borrower (the "**Charter**").
- (4) The By-Laws of the Borrower and all amendments thereto (the "**By-Laws**").

I have also examined the originals, or copies of such other corporate records of the Borrower, certificates of public officials and of officers of the Borrower and agreements, instruments and other documents as I have deemed necessary as a basis for the opinions expressed below. As to questions of fact material to such opinions, I have, when relevant facts were not independently established by me, relied upon certificates of the Borrower or its officers or of public officials. I have assumed the authenticity of all documents submitted to me as originals, the conformity to originals of all documents submitted as certified or photostatic copies and the authenticity of signatures (other than those of the Borrower), and the due execution and



delivery, pursuant to due authorization, of the Credit Agreement by the Lenders and the Agent and the validity and binding effect thereof on such parties. For purposes of my opinions expressed in paragraph 1 below as to existence and good standing, I have relied as of their respective dates on certificates of public officials, copies of which are attached hereto as Exhibit A. Whenever the phrase "to my knowledge" is used in this opinion it refers to my actual knowledge and the actual knowledge of the attorneys who work under my supervision and who were involved in the representation of the Borrower in connection with the transactions contemplated by the Credit Agreement.

I or attorneys working under my supervision are qualified to practice law in the States of North Carolina and Florida, and the opinions expressed herein are limited to the law of the States of North Carolina and Florida, the Federal law of the United States and, in reliance on a certificate issued by the Secretary of State of South Carolina and attached hereto as part of Exhibit A, the laws of the State of South Carolina for purposes of the first sentence of opinion paragraph 1 below.

Based upon the foregoing and upon such investigation as I have deemed necessary, I am of the following opinion:

1. Each of the Borrower and its Subsidiaries is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated and is duly qualified to do business in and is in good standing under the laws of each other jurisdiction where the nature of its business or the nature of property owned or used by it makes such qualification necessary. The Borrower has the corporate power and authority to enter into the transactions contemplated by the Credit Agreement.

2. The execution, delivery and performance of the Credit Agreement by the Borrower have been duly authorized by all necessary corporate action on the part of the Borrower and the Credit Agreement has been duly executed and delivered by the Borrower.

3. The execution, delivery and performance of the Credit Agreement by the Borrower will not (i) violate the Charter or the By-Laws or any law, rule or regulation applicable to the Borrower (including, without limitation, Regulation X of the Board of Governors of the Federal Reserve System) or (ii) result in a breach of, or constitute a default under, any judgment, decree or order binding on the Borrower, or any indenture, mortgage, contract or other instrument to which it is a party or by which it is bound.

4. No authorization, approval or other action by, and no notice to or filing with any governmental authority or regulatory body is required for the due execution, delivery and performance by the Borrower of the Credit Agreement, other than the SEC Order and the FPSC Order, which has been duly issued and is in full force and effect.

5. To my knowledge, except as described in the reports and registration statements that the Borrower and the Parent have filed with the Securities and Exchange Commission, there are no pending or overtly threatened actions or proceedings against the Borrower or any of its

Subsidiaries before any court, governmental agency or arbitrator, that may materially adversely affect the financial condition, operations or properties of the Borrower and its Subsidiaries, taken as a whole.

The opinions set forth above are subject to the qualification that no opinion is expressed herein as to the enforceability of the Credit Agreement or any other document.

The foregoing opinions are solely for your benefit and may not be relied upon by any other Person other than (i) any other Person that may become a Lender under the Credit Agreement after the date hereof and (ii) Hunton & Williams and King & Spalding, in connection with their respective opinions delivered on the date hereof under Section 3.01 of the Credit Agreement.

Very truly yours,

EXHIBIT C-2

FORM OF OPINION OF SPECIAL COUNSEL FOR THE COMPANY

[December \_\_, 2001]

To each of the Lenders parties to the Credit Agreement referred to below and to Bank of America, N.A., as Administrative Agent

Re: Florida Power Corporation

Ladies and Gentlemen:

This opinion is furnished to you by us as counsel for Florida Power Corporation (the "**Borrower**") pursuant to Section 3.01(g) of the Credit Agreement, dated as of December 18, 2001 (the "**Credit Agreement**", the terms defined therein being used herein as therein defined), among the Borrower, certain lenders named therein (the "**Lenders**") and Bank of America, N.A., as Administrative Agent for the Lenders.

In connection with the preparation, execution and delivery of the Credit Agreement, we have examined:

- (1) The Credit Agreement.
- (2) The documents furnished by the Borrower pursuant to Section 3.01 of the Credit Agreement.
- (3) The opinion letter of even date herewith, addressed to you by \_\_\_\_\_, General Counsel to the Company and delivered in connection with the transactions contemplated by the Credit Agreement (the "**Company Opinion Letter**").

We have also examined the originals, or copies of such other corporate records of the Borrower, certificates of public officials and of officers of the Borrower and agreements, instruments and other documents as we have deemed necessary as a basis for the opinions expressed below. As to questions of fact material to such opinions, we have, when relevant facts were not independently established by us, relied upon certificates of the Borrower or its officers or of public officials. We have assumed the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted as certified or photostatic copies and the authenticity of the originals (other than those of the Borrower), and the due execution and delivery, pursuant to due authorization, of the Credit Agreement by the Lenders and the

Agent and the validity and binding effect thereof on such parties. Whenever the phrase “to our knowledge” is used in this opinion it refers to the actual knowledge of the attorneys of this firm involved in the representation of the Borrower without independent investigation.

We are qualified to practice law in the States of North Carolina, Florida and New York, and the opinions expressed herein are limited to the law of the States of North Carolina, Florida and New York and the federal law of the United States. To the extent that our opinions expressed herein depend upon opinions expressed in paragraphs 1 through 4 of the Company Opinion Letter, we have relied without independent investigation on the accuracy of the opinions expressed in the Company Opinion Letter, subject to the assumptions, qualifications and limitations set forth in the Company Opinion Letter.

Based upon the foregoing and upon such investigation as we have deemed necessary, we are of the opinion that the Credit Agreement constitutes the legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms except as enforcement may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium or other similar laws affecting the rights of creditors generally and (b) principles of equity, whether considered at law or in equity.

The opinion set forth above is subject to the following qualifications:

(a) In addition to the application of equitable principles described above, courts have imposed an obligation on contracting parties to act reasonably and in good faith in the exercise of their contractual rights and remedies, and may also apply public policy considerations in limiting the right of parties seeking to obtain indemnification under circumstances where the conduct of such parties is determined to have constituted negligence.

(b) No opinion is expressed herein as to (i) Section 8.05 of the Credit Agreement, (ii) the enforceability of provisions purporting to grant to a party conclusive rights of determination, (iii) the availability of specific performance or other equitable remedies, (iv) the enforceability of rights to indemnity under federal or state securities laws or (v) the enforceability of waivers by parties of their respective rights and remedies under law.

(c) No opinion is expressed herein as to provisions, if any, in the Credit Agreement, which (A) purport to excuse, release or exculpate a party for liability for or indemnify a party against the consequences of its own acts, (B) purport to make void any act done in contravention thereof, (C) purport to authorize a party to make binding determinations in its sole discretion, (D) relate to the effects of laws which may be enacted in the future, (E) require waivers, consents or amendments to be made only in writing, (F) purport to waive rights of offset or to create rights of set off other than as provided by statute, or (G) purport to permit acceleration of indebtedness and the exercise of remedies by reason of the occurrence of an immaterial breach of the Credit Agreement or any related document. Further, we express no opinion as to the necessity for any Lender, by reason of such Lender’s particular circumstances, to qualify to transact business in the State of New York or as to any Lender’s liability for taxes in any jurisdiction.

The foregoing opinion is solely for your benefit and may not be relied upon by any other Person other than (i) any other Person that may become a Lender under the Credit Agreement

after the date hereof in accordance with the provisions thereof and (ii) King & Spalding, in connection with their opinion delivered on the date hereof under Section 3.01 of the Credit Agreement.

Very truly yours,

**EXHIBIT D**

**FORM OF OPINION OF COUNSEL  
TO THE ARRANGER**

[DATE]

To Bank of America, N.A. ("*Bank of America*"), as Administrative Agent for the Lenders referred to below, and to the Arranger and Lenders parties to the Credit Agreement referred to below

Re: Florida Power Corporation

Ladies and Gentlemen:

We have acted as counsel to the Arranger in connection with the preparation, execution and delivery of the Credit Agreement, dated as of December 18, 2001 (the "*Credit Agreement*", the terms defined therein being used herein as therein defined), among Florida Power Corporation, certain Lenders from time to time parties thereto and Bank of America, as Administrative Agent for the Lenders.

In this connection, we have examined the following documents:

1. a counterpart of the Credit Agreement, executed by the parties thereto;
2. the documents furnished by or on behalf of the Borrower pursuant to subsections (b) through (g) of Section 3.01 of the Credit Agreement, including, without limitation, the opinion of R. Alexander Glenn, Associate General Counsel to the Borrower, and the opinion of Hunton & Williams, special counsel to the Borrower (collectively, the "*Borrower Opinions*").

In our examination of the documents referred to above, we have assumed the authenticity of all such documents submitted to us as originals, the genuineness of all signatures, the due authority of the parties executing such documents and the conformity to the originals of all such documents submitted to us as copies. We have also assumed that you have independently evaluated, and are satisfied with, the creditworthiness of the Borrower and the business terms reflected in the Credit Agreement. We have relied, as to factual matters, on the documents we have examined.

To the extent that our opinions expressed below involve conclusions as to matters governed by law other than the law of the State of New York, we have relied upon the Borrower Opinions and have assumed without independent investigation the correctness of the matters set

forth therein, our opinions expressed below being subject to the assumptions, qualifications and limitations set forth in the Borrower Opinions.

Based upon and subject to the foregoing, and subject to the qualifications set forth below, we are of the opinion that the Credit Agreement is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

Our opinion is subject to the following qualifications:

(a) The enforceability of the Borrower's obligations under the Credit Agreement is subject to the effect of any applicable bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar law affecting creditors' rights generally.

(b) The enforceability of the Borrower's obligations under the Credit Agreement is subject to the effect of general principles of equity, including (without limitation) concepts of materiality, reasonableness, good faith and fair dealing (regardless of whether considered in a proceeding in equity or at law). Such principles of equity are of general application, and, in applying such principles, a court, among other things, might not allow a contracting party to exercise remedies in respect of a default deemed immaterial, or might decline to order an obligor to perform covenants.

(c) We note further that, in addition to the application of equitable principles described above, courts have imposed an obligation on contracting parties to act reasonably and in good faith in the exercise of their contractual rights and remedies, and may also apply public policy considerations in limiting the right of parties seeking to obtain indemnification under circumstances where the conduct of such parties is determined to have constituted negligence.

(d) We express no opinion herein as to (i) the enforceability of Section 8.05 of the Credit Agreement, (ii) the enforceability of provisions purporting to grant to a party conclusive rights of determination, (iii) the availability of specific performance or other equitable remedies, (iv) the enforceability of rights to indemnity under federal or state securities laws, or (v) the enforceability of waivers by parties of their respective rights and remedies under law.

(e) Our opinions expressed above are limited to the law of the State of New York, and we do not express any opinion herein concerning any other law.

The foregoing opinion is solely for your benefit and may not be relied upon by any other Person other than a Person that becomes a Lender under the Credit Agreement after the date hereof.

Very truly yours,

EXHIBIT E

FORM OF COMPLIANCE CERTIFICATE

[Letterhead of Florida Power Corporation]

[Date]

To the Lenders party to the Credit Agreement referred to below and to Bank of America, N.A. as Administrative Agent

Florida Power Corporation

Ladies and Gentlemen:

This compliance certificate is furnished to you pursuant to Section 5.01(i)(ii) of the Credit Agreement, dated as of December 18, 2001 (the "Credit Agreement"), among Florida Power Corporation, a Florida corporation (the "Borrower"), the banks listed on the signature pages thereof (the "Banks") and Bank of America, N.A. ("Bank of America"), as administrative agent (the "Administrative Agent"), for the Lenders (as hereinafter defined). Terms defined in the Credit Agreement are used herein as therein defined.

1. As of [\_\_\_\_], 2001, the ratio of Consolidated Indebtedness of the Borrower and its Subsidiaries to Total Capitalization was \_\_\_\_ to 1.0, calculated, in accordance with Section 5.01(j) of the Credit Agreement, as follows:

A. Indebtedness as of such date was \$\_\_\_\_\_, calculated as follows:

Current Indebtedness:	<u>Amount</u>
[List all forms of current Debt]	
_____	\$
_____	
_____	
Total current Indebtedness	\$ _____
Long-term Indebtedness :	<u>Amount</u>
[list all forms of long-term Indebtedness ]	
_____	\$
_____	



\_\_\_\_\_  
\_\_\_\_\_  
Total long-term Indebtedness \$ \_\_\_\_\_

Total Indebtedness (current Indebtedness plus  
long-term Indebtedness ) \$ \_\_\_\_\_

B. Total Capitalization as of such date was \$ \_\_\_\_\_, calculated as follows:

Consolidated Indebtedness \$

Preferred Stock \$

Common Stock \$

Retained Earnings \$ \_\_\_\_\_

2. As of [\_\_\_\_\_] , 2001, and as of the date hereof, no Event of Default and no event that, with the giving of notice or lapse of time or both, will constitute an Event of Default, has occurred and in continuing.

I hereby certify that the calculations set forth in paragraph 1 hereof were prepared in accordance with generally accepted accounting principles consistent with those applied in the preparation of the financial statements referred to in Section 4.01(e) of the Credit Agreement.

Very truly yours,

FLORIDA POWER CORPORATION

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

Name:

Title:

July 18, 2001

Banc of America Securities LLC

Banc One Capital Markets, Inc.

Salomon Smith Barney Inc.  
SunTrust Equitable Securities Corporation

Wachovia Securities, Inc.

c/o Banc of America Securities LLC

Bank of America Corporate Center

100 North Tryon Street  
Charlotte, North Carolina 28225

Attention: Brian Hungerford  
(As Representative of the Underwriters)

\$300,000,000  
Florida Power Corporation  
First Mortgage Bonds, 6.650% Series due 2011

Ladies and Gentlemen:

As Associate General Counsel for Florida Power Corporation (the "Company"), I am familiar with the terms and provisions of the Underwriting Agreement dated July 10, 2001 (the "Underwriting Agreement") by and between the Company and Banc of America Securities LLC, as Underwriter and Representative of the several Underwriters described in Schedule II of the Underwriting Agreement, providing for the purchase by the Underwriters of \$300,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 6.650% Series due 2011 (the "Securities"), to be issued under the Company's Indenture dated as of January 1, 1944 (the "Indenture") between the Company and First Chicago Trust Company of New York, as successor trustee (the "Trustee") (as amended and supplemented by the thirty-nine indentures supplemental thereto, including the Supplemental Indenture, the "Mortgage").

This opinion is furnished to you at the Company's request as required by Section 9(d) of the Underwriting Agreement. Capitalized terms used and not defined herein shall have the meanings assigned to them in the Underwriting Agreement.

In connection with the foregoing, I have examined the following:

- a. The Company's registration statement (the "Registration Statement") on Form S-3 (No. 333-63204), filed under the Securities Act of 1933, as amended (the "Securities Act"), and the Prospectus dated June 26, 2001 as supplemented by the Prospectus Supplement dated July 10, 2001, filed pursuant to Rule 424(b) of the Securities Act (the "Prospectus"), pursuant to which the Securities were offered;
- b. The Mortgage;
- c. The form of the Securities; and
- d. The Underwriting Agreement.

I call your attention to the fact that neither the Mortgage nor the form of the First Mortgage Bonds contains a provision specifying the law by which it is to be governed. For purposes of the opinions expressed in paragraphs 1 and 2 below, I have assumed that the Mortgage and the First Mortgage Bonds will be governed by the laws of the State of Florida.

Based on the foregoing, my familiarity with the properties and affairs of the Company generally, and such other information and documents as I have considered necessary for the purposes hereof, I am of the opinion that:

1. The Mortgage has been duly and validly authorized by all necessary corporate action, has been duly and validly executed and delivered by the Company, and is a valid and binding mortgage of the Company enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws affecting mortgagees' and other creditors' rights and general equitable principles and any implied covenant of good faith and fair dealing; provided, however, that certain remedies, waivers and other provisions of the Mortgage may not be enforceable, but such unenforceability will not render the Mortgage invalid as a whole or affect the judicial enforcement of (i) the obligation of the Company to repay the principal, together with the interest thereon as provided in the Securities or (ii) the right of the Trustee to exercise its right to foreclose under the Mortgage.
2. Assuming authentication of the Securities by the Trustee in accordance with the Mortgage and delivery of the Securities to and payment for the Securities by the Underwriters, as provided in the Underwriting Agreement, the Securities have been duly and validly authorized, executed and delivered and are legal, valid and binding obligations of the Company enforceable in accordance with their terms, except as limited by bankruptcy, insolvency or other laws affecting mortgagees' and other creditors' rights and general equitable principles, are entitled to the benefits of the security afforded by the Mortgage, and are secured equally and ratably with all other bonds outstanding under the Mortgage except insofar as any sinking or other fund may afford additional security for the bonds of any particular series.
3. The Underwriting Agreement has been duly and validly authorized, executed and delivered by the Company.
4. Nothing has come my attention that would lead me to believe that the Registration Statement, at the time and date it was declared effective by the Commission, 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, at the time it was filed with, or transmitted for filing to, the Commission pursuant to Rule 424 or at the Closing Date, included or includes 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 I express no opinion as to financial statements and other financial and statistical data constituting a part of the Registration Statement or the Prospectus or incorporated by reference therein).

5. The Company is a validly organized and existing corporation under the laws of the State of Florida.

6. The Company is duly authorized by its Charter to conduct the business that it is now conducting as set forth in the Prospectus.

7. The Company is an electrical utility engaged in the business of generating, transmitting, distributing and selling electric power to the general public in the State of Florida.

8. The Company has valid and subsisting franchises, licenses and permits adequate for the conduct of its business, except where the failure to hold such franchises, licenses and permits would not have a material adverse effect on the condition, financial or otherwise, earnings, property, business affairs or business prospects of the Company and its subsidiaries considered as a whole.

9. The Company has good and marketable title, with minor exceptions, restrictions and reservations in conveyances, and defects that are of the nature ordinarily found in properties of similar character and magnitude and that, in my opinion, will not in any substantial way impair the security afforded by the Mortgage, to all the properties described in the granting clauses of the Mortgage and upon which the Mortgage purports to create a lien. The description in the Mortgage of the above-mentioned properties is legally sufficient to constitute the Mortgage a lien upon said properties, including without limitation properties hereafter acquired by the Company (other than those expressly excepted and reserved therefrom). Said properties constitute substantially all the permanent physical properties and franchises (other than those expressly excepted and reserved from the lien of the Mortgage) of the Company and are held by the Company free and clear of all liens and encumbrances except the lien of the Mortgage and excepted encumbrances, as defined in the Mortgage. The properties of the Company are subject to liens for current taxes, which it is the practice of the Company to pay regularly as and when due. The Company has easements for rights-of-way adequate for the operations and maintenance of its transmission and distribution lines that are not constructed upon public highways. The Company has followed the practice generally of acquiring certain rights-of-way and easements and certain small parcels of fee property appurtenant thereto and for use in conjunction therewith, and certain other properties of small or inconsequential value, without an examination of title and, as to the title to lands affected by said rights-of-way and easements, of not examining the title of the lessor or grantor whenever the lands affected by such rights-of-way and easements are not of such substantial value as in the opinion of the Company to justify the expense attendant upon examination of titles in connection therewith. In my opinion, such practice of the Company is consistent with sound economic practice and with the method

followed by other companies engaged in the same business and is reasonably adequate to assure the Company of good and marketable title to all such property acquired by it. It is my opinion that any such conditions or defects as may be covered by the above recited exceptions are not substantial and would not materially interfere with the Company's use of such properties or with its business operations. The Company has the right of eminent domain in the State of Florida under which it may, if necessary, perfect or obtain title to privately owned land or acquire easements or rights-of-way required for use or used by the Company in its public utility operations.

10. The Mortgage has been recorded and filed in such manner and in such places as may be required by law in order fully to preserve and protect, in all material respects, the security of the bondholders and all rights of the Trustee thereunder; and the Supplemental Indenture relating to the Securities is in proper form for filing for record both as a real estate mortgage and as a security interest in all counties in the State of Florida in which any of the property (except as any therein or in the Mortgage are expressly excepted) described therein or in the Mortgage as subject to the lien of the Mortgage is located and, upon such recording, the Supplemental Indenture will constitute adequate record notice to perfect the lien of the Mortgage, and preserve and protect, in all material respects, the security of the bondholders and all rights of the Trustee, as to all mortgaged and pledged property acquired by the Company subsequent to the recording of the Thirty-seventh Supplemental Indenture and prior to the recording of the Supplemental Indenture.

11. The Mortgage constitutes a valid, direct and first mortgage lien of record upon all franchises and properties now owned by the Company (other than those expressly excepted from the lien of the Mortgage and other than those franchises and properties which are not, individually or in the aggregate, material to the Company or the security afforded by the Mortgage) situated in the State of Florida, as described or referred to in the granting clauses of the Mortgage, subject to the exceptions as to bankruptcy, insolvency and other laws stated in paragraph 1 above.

12. The issuance and sale of the Securities have been duly authorized by all necessary corporate action on the part of the Company.

13. An order has been entered by the Florida Public Service Commission authorizing the issuance and sale of the Securities, and to the best of my knowledge, said order is still in force and effect; and no further filing with, approval, authorization, consent or other order of any public board or body (except such as have been obtained under the Securities Act and as may be required under the state securities or Blue Sky laws of any jurisdiction) is legally required for the consummation of the transactions contemplated in the Underwriting Agreement.

14. Except as described in or contemplated by the Prospectus, there are no pending actions, suits or proceedings (regulatory or otherwise) against the Company or any of its subsidiaries or properties that are likely, in the aggregate, to result in any material adverse change in the condition, financial or otherwise, earnings, property, business affairs or business prospects of the Company and its subsidiaries considered as a whole or that are likely, in the aggregate, to materially and adversely affect the Mortgage, the Securities or the consummation of the Underwriting Agreement, or the transactions contemplated herein or therein.

15. The consummation of the transactions contemplated by the Underwriting Agreement and the fulfillment of the terms of the Underwriting Agreement will not (i) result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or the Company's by-laws or (ii) result in a material breach of any terms or provisions of, or constitute a default under, any applicable law, indenture, mortgage, deed of trust or other agreement or instrument to which the Company is now a party or any judgment, order, writ or decree of any government or governmental authority or agency or court having jurisdiction over the Company or any of its subsidiaries or any of their assets, properties or operations.

I express no opinion as to the enforceability of any waiver provisions (in so far as they may purport to be contrary to the public policy of the State of Florida).

This opinion may be relied on by you, by the other Underwriters identified in the Underwriting Agreement, by Hunton & Williams, and by Pillsbury Winthrop LLP, as counsel for the Underwriters.

Respectfully Submitted

R. Alexander Glenn  
Associate General Counsel

July 18, 2001

Banc of America Securities LLC

Banc One Capital Markets, Inc.

Salomon Smith Barney Inc.

SunTrust Equitable Securities Corporation

Wachovia Securities, Inc.

c/o Banc of America Securities LLC

Bank of America Corporate Center

100 North Tryon Street

Charlotte, North Carolina 28225

Attention: Brian Hungerford

(As Representative of the Underwriters)

\$300,000,000

Florida Power Corporation

First Mortgage Bonds, 6.650% Series due 2011

Ladies and Gentlemen:

We have acted as counsel to Florida Power Corporation (the "Company") in connection with the issuance of \$300,000,000 aggregate principal amount of the Company's First Mortgage Bonds, 6.650% Series due 2011 (the "Securities"), to be issued under the Company's Indenture dated as of January 1, 1944 (the "Indenture"), between the Company and First Chicago Trust Company of New York, as successor trustee (the "Trustee") (as supplemented by thirty-nine indentures supplemental thereto, including, among others, the Twenty-Ninth Supplemental Indenture dated as of September 1, 1982 (the "Twenty-Ninth Supplemental Indenture") and the Supplemental Indenture, the "Mortgage").

This opinion is furnished to you at the Company's request as required by Section 9(c) of the Underwriting Agreement (the "Underwriting Agreement"), dated as of July 10, 2001, by and between the Company and Banc of America Securities LLC, as Underwriter and Representative of the Underwriters described in Schedule II of the Underwriting Agreement, pursuant to which the Securities are being sold. Capitalized terms used and not defined herein shall have the meanings assigned to them in the Underwriting Agreement.

In connection with the foregoing, we have examined the following:

- a. The Company's registration statement (the "Registration Statement") on Form S-3 (No. 333-63204), filed under the Securities Act of 1933, as amended (the "Securities Act"), and the Prospectus dated June 26, 2001 as supplemented by the Prospectus Supplement dated July 10, 2001, filed pursuant to Rule 424(b) of the Securities Act (the "Prospectus"), pursuant to which the Securities were offered;
- b. The Mortgage;
- c. The form of the Securities; and
- d. The Underwriting Agreement.

For purposes of the opinions expressed below, we have assumed (i) the authenticity of all documents submitted to us as originals, (ii) the conformity to the originals of all documents submitted as certified or photostatic copies and the authenticity of the originals, (iii) the legal capacity of natural persons and (iv) the due authorization, execution and delivery of all documents by all parties and the validity and binding effect thereof (other than the authorization, execution and delivery of documents by the Company and the validity and binding effect thereof upon the Company).

As to factual matters, we have relied upon representations included in the Underwriting Agreement, upon certificates of officers of the Company, and upon certificates of public officials. Whenever the phrases "to the best of our knowledge" or "to our attention" are used herein, they refer to the actual knowledge or attention of the attorneys of this firm involved in the representation of the Company in this transaction without independent investigation.

We call your attention to the fact that neither the Mortgage nor the form of the Securities contains a provision specifying the law by which it is to be governed. For purposes of the opinions expressed in paragraphs 2 and 4 of Part I below, we have assumed that the Mortgage and the Securities will be governed by the laws of the State of Florida.

We do not purport to express an opinion on any laws other than those of the State of Florida and the United States of America. We consent to the reliance on this opinion letter by you, by the other underwriters identified in the Underwriting Agreement, by the Trustee, and, with respect to matters of Florida law, by R. Alexander Glenn, Associate General Counsel of the Company, and Pillsbury Winthrop LLP. Except as provided in the preceding sentence, no one



but the addressees is entitled to rely on this opinion without our prior written consent. Based upon the foregoing and such other information and documents as we have considered necessary for the purposes hereof, we are of the opinion that:

I.

1. Each of the Indenture, the Twenty-Ninth Supplemental Indenture and the Supplemental Indenture has been duly and validly authorized by all necessary corporate action, and the Supplemental Indenture has been duly and validly executed and delivered by the Company.

2. The Mortgage constitutes a valid and binding mortgage of the Company enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws affecting mortgagees' and other creditors' rights and general equitable principles and any implied covenant of good faith and fair dealing; provided, however, that certain remedies, waivers and other provisions of the Mortgage may not be enforceable, but such unenforceability will not render the Mortgage invalid as a whole or affect the judicial enforcement of (i) the obligation of the Company to repay the principal, together with the interest thereon as provided in the Securities or (ii) the right of the Trustee to exercise its right to foreclose under the Mortgage.

3. The Mortgage has been duly qualified under the 1939 Act.

4. Assuming authentication of the Securities by the Trustee in accordance with the Mortgage and delivery of the Securities to and payment for the Securities by the Underwriters, as provided in the Underwriting Agreement, the Securities have been duly and validly authorized, executed and delivered and are legal, valid and binding obligations of the Company enforceable in accordance with their terms, except as limited by bankruptcy, insolvency or other laws affecting mortgagees' and other creditors' rights and general equitable principles, are entitled to the benefits of the security afforded by the Mortgage, and are secured equally and ratably with all other bonds outstanding under the Mortgage except insofar as any sinking or other fund may afford additional security for the bonds of any particular series.

5. The statements made in the Prospectus under the caption "Description of First Mortgage Bonds" and in the Prospectus Supplement under the caption "Certain Terms of the Bonds," insofar as they purport to constitute summaries of the documents referred to therein, are correct in all material respects.

6. The Underwriting Agreement has been duly and validly authorized, executed and delivered by the Company.

We express no opinion as to the enforceability of any waiver provisions (insofar as they may purport to be contrary to the public policy of the State of Florida).

II.

We have participated in various conferences with the officers of the Company. In some conferences you and your counsel also participated. At those conferences, the contents of the Registration Statement and Prospectus were discussed. Since the dates of those conferences, we have inquired of certain officers whether there has been any material change in the affairs of the Company.

Because of the inherent limitations in the independent verification of factual matters, and the character of determinations involved in the preparation of registration statements under the Securities Act, we are not passing upon, and do not assume any responsibility for, and make no representation that we have independently verified, the accuracy, completeness or fairness of the statements contained in the Registration Statement or the Prospectus, except as specifically set forth in paragraph 5 of Part I above. Also, we do not express any opinion or belief as to the financial statements or other financial or statistical information contained in the Registration Statement and Prospectus. However, subject to the foregoing, on the basis of our participation in the conferences referred to above and our examination of the documents referred to herein, we advise you that, in our opinion, the Registration Statement, at the time and date it was declared effective by the Commission, and the Prospectus, at the time it was filed with, or transmitted for filing to, the Commission pursuant to Rule 424, complied as to form in all material respects with the requirements of the Securities Act and the 1939 Act and the applicable instructions, rules and regulations of the Commission thereunder; the documents or portions thereof filed with the Commission pursuant to the Exchange Act and deemed to be incorporated by reference in the Registration Statement and the Prospectus pursuant to Item 12 of Form S-3, at the time they were filed with the Commission, complied as to form in all material respects with the requirements of the Exchange Act and the applicable instructions, rules and regulations of the Commission thereunder; the Registration Statement has become effective under the Securities Act and, to the best of our knowledge, no stop order suspending the effectiveness of the Registration Statement has been issued and not withdrawn and no proceedings for a stop order with respect thereto are threatened or pending under Section 8 of the Securities Act. Further, nothing has come to our attention that would lead us to believe that the Registration Statement, at the time and date it was declared effective by the Commission, 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, at the time it was filed with, or transmitted for filing to, the Commission pursuant to Rule 424 or at the Closing Date, included or includes 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.

Very truly yours,

Hunton & Williams

FLORIDA POWER CORPORATION

First Mortgage Bonds

6.650% Series due 2011

**UNDERWRITING AGREEMENT**

July 10, 2001

To the Representative named in Schedule I hereto  
of the Underwriters named in Schedule II hereto

Dear Sirs:

The undersigned Florida Power Corporation (the "Company") hereby confirms its agreement with each of the several Underwriters hereinafter named as follows:

1. Underwriters and Representative. The term "Underwriters" as used herein shall be deemed to mean the firm or corporation or the several firms or corporations named in Schedule II hereto and any underwriter substituted as provided in paragraph 6, and the term "Underwriter" shall be deemed to mean one of such Underwriters. If the firm or firms listed in Schedule I hereto (the "Representative") are the same as the firm or firms listed in Schedule II hereto, then the terms "Underwriters" and "Representative," as used herein, shall each be deemed to refer to such firm or firms. The Representative represents that it has been authorized by the Underwriters to execute this Agreement on their behalf and to act for them in the manner herein provided. All obligations of the Underwriters hereunder are several and not joint. If more than one firm is named in Schedule I hereto, any action under or in respect of this Agreement may be taken by such firms jointly as the Representative or by one of the firms acting on behalf of the Representative, and such action will be binding upon all the Underwriters.

2. Description of Securities. The Company proposes to issue and sell its First Mortgage Bonds of the designation, with the terms and in the amount specified in Schedule I hereto (the "Securities"), under its Indenture, dated as of January 1, 1944, with First Chicago Trust Company of New York, as successor Trustee, as supplemented by the Seventh, Eighth, Sixteenth, Twenty-ninth and Thirty-eighth supplemental indentures and as it will be further supplemented by the Thirty-ninth Supplemental Indenture relating to the Securities (the "Supplemental Indenture"), in substantially the form heretofore delivered to the Representative, said Indenture as supplemented by the Seventh, Eighth, Sixteenth, Twenty-ninth and Thirty-eighth supplemental indentures and to be supplemented by the Supplemental Indenture being hereinafter referred to as the "Mortgage."

3. Representations and Warranties of the Company. The Company represents and warrants to each of the Underwriters that:

(a) The Company has filed with the Securities and Exchange Commission (the “Commission”) a Registration Statement on Form S-3 (No. 333-63204) (the “New Registration Statement”), which also constitutes Post-Effective Amendment No. 1 to three other Registration Statements on Form S-3, each as set forth on Schedule I (collectively, the “Post-Effective Amendments” and together with the New Registration Statement, the “Registration Statement”) under the Securities Act of 1933, as amended (the “Securities Act”), for the registration of up to an aggregate of \$1,000,000,000 principal amount of the Company’s First Mortgage Bonds and Debt Securities (collectively, the “Registered Securities”) in unallocated amounts, as each is defined in the Registration Statement. The Registration Statement has been declared effective by the Commission, and the Mortgage has been qualified under the Trust Indenture Act of 1939, as amended (the “1939 Act”). As of the date hereof, the Company has not sold any Registered Securities. The term “Registration Statement” shall be deemed to include all amendments to the date hereof and all documents incorporated by reference therein (the “Incorporated Documents”). The prospectus included in the Registration Statement, as it is to be supplemented by a prospectus supplement, dated on or about the date hereof, substantially in the form delivered to the Representative prior to the execution hereof, relating to the Securities (the “Prospectus Supplement”) and all prior amendments or supplements thereto (other than amendments or supplements relating to securities of the Company other than the Securities), including the Incorporated Documents, is hereinafter referred to as the “Prospectus.” Any reference herein to the terms “amend,” “amendment” or “supplement” with respect to the Registration Statement or the Prospectus shall be deemed to refer to and include the filing of any document under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), deemed to be incorporated therein after the date hereof and prior to the termination of the offering of the Securities by the Underwriters; and any references herein to the terms “Registration Statement” or “Prospectus” at a date after the filing of the Prospectus Supplement shall be deemed to refer to the Registration Statement or the Prospectus, as the case may be, as each may be amended or supplemented prior to such date.

(b) Prior to the termination of the offering of the Securities, the Company will not file any amendment to the Registration Statement or supplement to the Prospectus which shall not have previously been furnished to the Representative or of which the Representative shall not previously have been advised or to which the Representative shall reasonably object in writing and which has not been approved by the Underwriter(s) or their counsel acting on behalf of the Underwriters.

(c) The Registration Statement, at the time and date it was declared effective by the Commission, complied, and the Registration Statement, the Prospectus and the Mortgage, at the date the Prospectus is filed with, or transmitted for filing to, the Commission pursuant to Rule 424 under the Securities Act (“Rule 424”) and at the Closing Date, will comply, in all material respects, with the applicable provisions of the Securities Act and the 1939 Act and the applicable rules and regulations of the Commission thereunder; the Registration Statement, at the time and date it was declared effective by the Commission, did 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 not misleading; and the Prospectus, at the date it is filed with, or transmitted for filing to, the Commission pursuant to Rule 424 and at the Closing Date, will not contain an untrue statement of a material fact or omit 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; provided, however, that the foregoing representations and warranties in this subparagraph (c) shall not apply to statements or omissions made in reliance upon and in conformity with information furnished herein or in writing to the Company by the Representative or by or on behalf of any Underwriter through the Representative expressly for use in the Prospectus or to any statements in or omissions from the Statement of Eligibility (Form T-1) of the Trustee. The Incorporated Documents, when they were filed with the Commission, complied in all material respects with the applicable requirements of the Exchange Act and the rules and regulations of the Commission thereunder, and any documents so filed and incorporated by reference subsequent to the date hereof and prior to the termination of the offering of the Securities by the Underwriters will, when they are filed with the Commission, comply in all material respects with the requirements of the Exchange Act and the rules and regulations of the Commission thereunder; and, when read together with the Registration Statement and the Prospectus, none of such documents included or includes or will include any untrue statement of a material fact or omitted or omits or will omit to state any 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.

(d) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of Florida; has corporate power and authority to own, lease and operate its properties and to conduct its business as contemplated under this Agreement and the other agreements to which it is a party; and is duly qualified as a foreign corporation to transact business and is in good standing in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business, except where the failure to so qualify would not have a material adverse effect on the condition, financial or otherwise, earnings, property, business affairs or business prospects of the Company and its subsidiaries considered as a whole.

(e) The historical financial statements incorporated by reference in the Registration Statement present fairly the financial condition and operations of the Company at the respective dates or for the respective periods to which they apply; such financial statements have been prepared in each case in accordance with generally accepted accounting principles consistently applied throughout the periods involved, except that the quarterly financial statements incorporated by reference from any Quarterly Reports on Form 10-Q contain condensed footnotes prepared in accordance with applicable Exchange Act rules and regulations; and any accounting firms that have audited any of the financial statements are independent public or independent certified public accountants as required by the Securities Act or the Exchange Act and the rules and regulations of the Commission thereunder.

(f) Except as reflected in, or contemplated by, the Registration Statement and the Prospectus, since the respective dates as of which information is given in the Registration Statement and Prospectus, and prior to the Closing Date, there has not been any material adverse change in the condition, financial or otherwise, earnings, property, business affairs or business prospects of the Company and its subsidiaries considered as a whole; and since such dates and prior to the Closing Date, there has not been any material transaction entered into by the Company other than transactions contemplated by the Registration Statement and Prospectus or transactions arising in the ordinary course of business. The Company has no contingent obligation that is not disclosed in the Registration Statement and Prospectus that could likely result in a material adverse change in the condition, financial or otherwise, earnings, property, business affairs or business prospects of the Company and its subsidiaries considered as a whole.

(g) The Company has full power and authority to execute, deliver and perform its obligations under this Agreement. The execution and delivery of this Agreement, the consummation of the transactions herein contemplated and the fulfillment of the terms hereof on the part of the Company to be fulfilled have been duly authorized by all necessary corporate action of the Company in accordance with the provisions of its articles of incorporation, as amended (the "Charter"), by-laws and applicable law; and the Securities, when issued and delivered as provided herein, will constitute legal, valid and binding obligations of the Company in accordance with their terms subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or similar laws affecting mortgagees' and other creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity and except for the effect on enforceability of federal or state law limiting, delaying or prohibiting the making of payments outside the United States; provided, however, that certain remedies, waivers and other provisions of the Securities may not be enforceable, but such unenforceability will not render the Securities invalid as a whole or affect the judicial enforcement of (i) the obligation of the Company to repay the principal, together with the interest thereon as provided in the Securities or (ii) the right of the Trustee to exercise its right to foreclose under the Mortgage.

(h) The consummation of the transactions herein contemplated and the fulfillment of the terms hereof will not result in a breach of any of the terms or provisions of, or constitute a default under, the Charter, the Company's by-laws, applicable law or any indenture, mortgage, deed of trust or other agreement or instrument to which the Company or any of its subsidiaries is now a party or any judgment, order, writ or decree of any government or governmental authority or agency or court having jurisdiction over the Company or any of its subsidiaries or any of their assets, properties or operations.

(i) The summaries of the terms of the Securities contained in the Registration Statement and Prospectus fairly describe the provisions thereof required to be described by the registration statement form.

(j) The Company does not have any significant subsidiaries as defined in Rule 1-02 of Regulation S-X promulgated under the Securities Act.

(k) The Mortgage (A) has been duly authorized, executed and delivered by the Company, and, assuming due authorization, execution and delivery of the Supplemental Indenture by the Trustee, constitutes a valid and legally binding obligation of the Company, enforceable against the Company in accordance with its terms, subject to (i) applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer or similar laws affecting creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding at law or in equity and except for the effect on enforceability of federal or state law limiting, delaying or prohibiting the making of payments outside the United States); and (B) conforms in all material respects to the description thereof in the Prospectus.

(l) Neither the Company nor any of its subsidiaries is an "investment company" within the meaning of the Investment Company Act of 1940, as amended (the "1940 Act").

(m) Except as described in or contemplated by the Prospectus, there are no pending actions, suits or proceedings (regulatory or otherwise) against or affecting the Company or any of its subsidiaries or properties that are likely in the aggregate to result in any material adverse change in the condition, financial or otherwise, earnings, property, business affairs or business prospects of the Company and its subsidiaries considered as a whole, or that are likely in the aggregate to materially and adversely affect the Mortgage, the Securities or the consummation of this Agreement or the transactions contemplated herein or therein.

(n) No filing with, or authorization, approval, consent, license, order, registration, qualification or decree of, any court or governmental authority or agency is necessary or required for the performance by the Company of its obligations hereunder in connection with the offering, issuance or sale of the Securities hereunder or the consummation of the transactions herein contemplated or for the due execution, delivery or performance of the Indenture by the Company, except such as have already been made or obtained or as may be required under the Securities Act or state securities laws and except for the qualification of the Indenture under the 1939 Act.

4. Purchase and Sale. On the basis of the representations, warranties and covenants herein contained, but subject to the terms and conditions herein set forth, the Company agrees to sell to each of the Underwriters, severally and not jointly, and each such Underwriter agrees, severally and not jointly, to purchase from the Company, the respective principal amount of Securities set forth opposite the name of such Underwriter in Schedule II hereto at the purchase price set forth in Schedule I hereto.

5. Reoffering by Underwriters. The Underwriters agree to make promptly a bona fide public offering of the Securities to the public for sale as set forth in the Prospectus, subject, however, to the terms and conditions of this Agreement.

6. Time and Place of Closing; Default of Underwriters.

(a) Payment for the Securities shall be made at the place, time and date specified in Schedule I hereto against delivery of the Securities at the office of First Chicago Trust Company of New York, 14 Wall Street, New York, New York 10005, or such other place, time and date as the Representative and the Company may agree. The hour and date of such delivery and payment are herein called the "Closing Date." Payment for the Securities shall be by wire transfer of immediately available funds against delivery to The Depository Trust Company or to First Chicago Trust Company of New York, as custodian for The Depository Trust Company, in fully registered global form registered in the name of CEDE & Co., for the respective accounts specified by the Representative not later than the close of business on the business day prior to the Closing Date or such other date and time not later than the Closing Date as agreed by The Depository Trust Company or First Chicago Trust Company of New York. For the purpose of expediting the checking of the certificates by the Representative, the Company agrees to make the Securities available to the Representative not later than 10:00 A.M. New York time, on the last full business day prior to the Closing Date at said office of First Chicago Trust Company of New York.

(b) If one or more of the Underwriters shall, for any reason permitted hereunder, cancel its obligation to purchase hereunder and to take up and pay for the principal amount of the Securities to be purchased by such one or more Underwriters, the Company shall immediately notify the Representative, and the remaining Underwriters shall have the right, within 24 hours of receipt of such notice, either to take up and pay for (in such proportion as may be agreed upon among them) or to substitute another Underwriter or Underwriters, satisfactory to the Company, to take up and pay for the principal amount of the Securities that such one or more Underwriters did not purchase. If one or more Underwriters shall, for any reason other than a reason permitted hereunder, fail to take up and pay for the principal amount of the Securities to be purchased by such one or more Underwriters, the Company shall immediately notify the Representative, and the remaining Underwriters shall be obligated to take up and pay for (in addition to the respective principal amount of the Securities set forth opposite their respective names in Schedule II hereto) the principal amount of the Securities that such defaulting Underwriter or Underwriters failed to take up and pay for, up to a principal amount thereof equal to, in the case of each such remaining Underwriter, 10% of the principal amount of the Securities set forth opposite the name of such remaining Underwriter in said Schedule II, and such remaining Underwriters shall have the right, within 24 hours of receipt of such notice, either to take up and pay for (in such proportion as may be agreed upon among them), or to substitute another Underwriter or Underwriters, satisfactory to the Company, to take up and pay for the remaining principal amount of the Securities that the defaulting Underwriter or Underwriters agreed but failed to purchase. If any unpurchased Securities still remain, then the Company or the Representative shall be entitled to an additional period of 24 hours within which to procure another party or parties, members of the National Association of Securities Dealers, Inc. (or if not members of such Association, who are not eligible for membership in said Association and who agree (i) to make no sales within the United States, its territories or its



possessions or to persons who are citizens thereof or residents therein and (ii) in making sales to comply with said Association's Rules of Fair Practice) and satisfactory to the Company, to purchase or agree to purchase such unpurchased Securities on the terms herein set forth. In any such case, either the Representative or the Company shall have the right to postpone the Closing Date for a period not to exceed three full business days from the date agreed upon in accordance with this paragraph 6, in order that the necessary changes in the Registration Statement and Prospectus and any other documents and arrangements may be effected. If (i) neither the non-defaulting Underwriters nor the Company has arranged for the purchase of such unpurchased Securities by another party or parties as above provided and (ii) the Company and the non-defaulting Underwriters have not mutually agreed to offer and sell the Securities other than the unpurchased Securities, then this Agreement shall terminate without any liability on the part of the Company or any Underwriter (other than an Underwriter that shall have failed or refused, in accordance with the terms hereof, to purchase and pay for the principal amount of the Securities that such Underwriter has agreed to purchase as provided in paragraph 4 hereof), except as otherwise provided in paragraph 7 and paragraph 8 hereof.

7. Covenants of the Company. The Company covenants with each Underwriter that:

(a) As soon as reasonably possible after the execution and delivery of this Agreement, the Company will file the Prospectus with the Commission pursuant to Rule 424 setting forth, among other things, the necessary information with respect to the terms of offering of the Securities. The Company will promptly deliver to the Representative and to counsel for the Underwriters, to the extent not previously delivered, one fully executed copy or one conformed copy, certified by an officer of the Company, of the Registration Statement, as originally filed, and of all amendments thereto, heretofore or hereafter made (other than those relating solely to securities other than the Securities), including any post-effective amendment (in each case including all exhibits filed therewith and all documents incorporated therein not previously furnished to the Representative), including signed copies of each consent and certificate included therein or filed as an exhibit thereto, and will deliver to the Representative for distribution to the Underwriters as many conformed copies of the foregoing (excluding the exhibits, but including all documents incorporated therein) as the Representative may reasonably request. The Company will also send to the Underwriters as soon as practicable after the date of this Agreement and thereafter from time to time as many copies of the Prospectus as the Representative may reasonably request for the purposes required by the Securities Act.

(b) During such period (not exceeding nine months) after the commencement of the offering of the Securities as the Underwriters may be required by law to deliver a Prospectus, if any event relating to or affecting the Company, or of which the Company shall be advised in writing by the Representative shall occur, which in the opinion of the Company or the Representative should be set forth in a supplement to or an amendment of the Prospectus in order to make the Prospectus not misleading in the light of the circumstances when it is delivered to a purchaser, or if it is necessary to amend the Prospectus to comply with the Securities Act, the Company will forthwith at its expense

prepare and furnish to the Underwriters and dealers named by the Representative a reasonable number of copies of a supplement or supplements or an amendment or amendments to the Prospectus that will supplement or amend the Prospectus so that as supplemented or amended it will comply with the Securities Act and will not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances when the Prospectus is delivered to a purchaser, not misleading. In case any Underwriter is required to deliver a Prospectus after the expiration of nine months after the commencement of the offering of the Securities, the Company, upon the request of the Representative, will furnish to the Representative, at the expense of such Underwriter, a reasonable quantity of a supplemented or amended prospectus, or supplements or amendments to the Prospectus, complying with Section 10(a) of the Securities Act.

(c) The Company will make generally available to its security holders, as soon as reasonably practicable, but in any event not later than 16 months after the end of the fiscal quarter in which the filing of the Prospectus pursuant to Rule 424 occurs, an earning statement (in form complying with the provisions of Section 11(a) of the Securities Act, which need not be certified by independent public accountants) covering a period of twelve months beginning not later than the first day of the Company's fiscal quarter next following the filing of the Prospectus pursuant to Rule 424.

(d) The Company will use its best efforts promptly to do and perform all things to be done and performed by it hereunder prior to the Closing Date and to satisfy all conditions precedent to the delivery by it of the Securities.

(e) As soon as reasonably possible after the Closing Date, the Company will cause the Supplemental Indenture to be recorded in all recording offices in the State of Florida in which the property intended to be subject to the lien of the Mortgage is located. Notwithstanding the first sentence of this subparagraph 7(e), the Company will, prior to the Closing Date, cause the Supplemental Indenture to be recorded in the recording offices listed on Schedule III hereto and filed in the Office of the Secretary of the State of Florida.

(f) The Company will advise the Representative, or the Representative's counsel, promptly of the filing of the Prospectus pursuant to Rule 424 and of any amendment or supplement to the Prospectus or Registration Statement or of official notice of institution of proceedings for, or the entry of, a stop order suspending the effectiveness of the Registration Statement and, if such a stop order should be entered, use its best efforts to obtain the prompt removal thereof.

(g) The Company will use its best efforts to qualify the Securities for offer and sale under the Blue Sky or legal investment laws of such jurisdictions as the Representative may designate, and will file and make in each year such statements or reports as are or may be reasonably required by the laws of such jurisdictions; provided, however, that the Company shall not be required to qualify as a foreign corporation or

dealer in securities, or to file any general consents to service of process, under the laws of any jurisdiction.

8. Payment of Expenses. 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, (ii) the delivery of the Securities to the Underwriters, (iii) the fees and disbursements of the Company's counsel and accountants, (iv) the expenses in connection with the qualification of the Securities under securities laws in accordance with the provisions of paragraph 7(g), including filing fees and the fees and disbursements of counsel for the Underwriters in connection therewith, and in connection with the preparation of the Blue Sky Survey and any Legality Memorandum, such fees and disbursements not to exceed \$7,500, (v) the printing and delivery to the Underwriters of copies of the Registration Statement and all amendments thereto, of the preliminary prospectuses, and of the Prospectus and any amendments or supplements thereto, (vi) the printing and delivery to the Underwriters of copies of the Blue Sky Survey and any Legality Memorandum, and (vii) the preparation, execution, filing and recording by the Company of the Supplemental Indenture (such filing and recordation to be promptly made after execution and delivery of the Supplemental Indenture to the Trustee under the Mortgage in the counties in which the mortgaged property of the Company is located); and the Company will pay all taxes, if any (but not including any transfer taxes), on the issue of the Securities and the filing and recordation of the Supplemental Indenture. The fees and disbursements of Underwriters' counsel shall be paid by the Underwriters (subject, however, to the provisions of this paragraph 8 requiring payment by the Company of fees and expenses not to exceed \$7,500); provided, however, that if this Agreement is terminated in accordance with the provisions of paragraph 9, 10 or 12, the Company shall reimburse the Representative for the account of the Underwriters for the fees and disbursements of Underwriters' counsel. The Company shall not be required to pay any amount for any expenses of the Representative or of any other of the Underwriters except as provided in paragraph 7 and in this paragraph 8. The Company shall not in any event be liable to any of the Underwriters for damages on account of the loss of anticipated profit.

9. Conditions of Underwriters' Obligations. The several obligations of the Underwriters to purchase and pay for the Securities shall be subject to the accuracy of the representations and warranties on the part of the Company as of the date hereof and the Closing Date, to the performance by the Company of its obligations to be performed hereunder prior to the Closing Date, and to the following further conditions:

(a) No stop order suspending the effectiveness of the Registration Statement shall be in effect on the Closing Date and no proceedings for that purpose shall be pending before, or, to the Company's knowledge, threatened by, the Commission on the Closing Date; and the Representative shall have received, prior to payment for the Securities, a certificate dated the Closing Date and signed by the Chairman, President or a Vice President of the Company to the effect that no such stop order is in effect and that no proceedings for such purpose are pending before or, to the knowledge of the Company, threatened by the Commission.

(b) At the time of execution of this Agreement, or such later date as shall have been consented to by the Representative, there shall have been issued, and on the Closing Date there shall be in full force and effect, an order of the Florida Public Service Commission authorizing the issuance and sale of the Securities, which shall not contain any provision unacceptable to the Representative by reason of its being materially adverse to the Company (it being understood that no such order in effect on the date of this Agreement and heretofore furnished to the Representative or counsel for the Underwriters contains any such unacceptable provision).

(c) At the Closing Date, the Representative shall receive favorable opinions from: (1) Hunton & Williams, counsel to the Company, which opinion shall be satisfactory in form and substance to counsel for the Underwriters, and (2) Pillsbury Winthrop LLP, counsel for the Underwriters, in each of which opinions (except as to subdivision (vi) (as to documents incorporated by reference, at the time they were filed with the Commission) as to which Pillsbury Winthrop LLP need express no opinion) said counsel may rely as to all matters of Florida law upon the opinion of R. Alexander Glenn, Associate General Counsel of the Company, to the effect that:

(i) The Mortgage has been duly and validly authorized by all necessary corporate action (with this opinion required in the Hunton & Williams and Pillsbury Winthrop LLP opinions only as to the original Indenture dated as of January 1, 1944 and the Supplemental Indentures subsequent to, but not including, the Thirty-eighth Supplemental Indenture), has been duly and validly executed and delivered by the Company (with this opinion required in the Hunton & Williams and Pillsbury Winthrop LLP opinions only as to the original Indenture dated as of January 1, 1944 and the Supplemental Indentures subsequent to, but not including, the Thirty-eighth Supplemental Indenture), and is a valid and binding mortgage of the Company enforceable in accordance with its terms, except as limited by bankruptcy, insolvency or other laws affecting mortgagees' and other creditors' rights and general equitable principles and any implied covenant of good faith and fair dealing (with this opinion required in the Hunton & Williams and Pillsbury Winthrop LLP opinions only as to the original Indenture dated as of January 1, 1944 and the Supplemental Indentures subsequent to, but not including, the Thirty-eighth Supplemental Indenture); provided, however, that certain remedies, waivers and other provisions of the Mortgage may not be enforceable, but such unenforceability will not render the Mortgage invalid as a whole or affect the judicial enforcement of (i) the obligation of the Company to repay the principal, together with the interest thereon as provided in the Securities or (ii) the right of the Trustee to exercise its right to foreclose under the Mortgage;

(ii) The Mortgage has been duly qualified under the 1939 Act;

(iii) Assuming authentication of the Securities by the Trustee in accordance with the Mortgage and delivery of the Securities to and payment for the Securities by the Underwriters, as provided in this Agreement, the Securities have been duly and validly authorized, executed and delivered and are legal, valid and binding obligations of the Company enforceable in accordance with their terms, except as limited by bankruptcy, insolvency or other laws affecting mortgagees' and other creditors' rights and general equitable principles, are entitled to the benefits of the security afforded by the Mortgage, and are secured equally and ratably with all other bonds outstanding under the Mortgage except insofar as any sinking or other fund may afford additional security for the bonds of any particular series;

(iv) The statements made in the Prospectus under the caption "Description of First Mortgage Bonds" and in the Prospectus Supplement under the caption "Certain Terms of the Bonds," insofar as they purport to constitute summaries of the documents referred to therein, are correct in all material respects;

(v) This Agreement has been duly and validly authorized, executed and delivered by the Company;

(vi) The Registration Statement, at the time and date it was declared effective by the Commission, and the Prospectus, at the time it was filed with, or transmitted for filing to, the Commission pursuant to Rule 424 (except as to the financial statements and other financial and statistical data constituting a part thereof or incorporated by reference therein, upon which such opinions need not pass), complied as to form in all material respects with the requirements of the Securities Act and the 1939 Act and the applicable instructions, rules and regulations of the Commission thereunder; the documents or portions thereof filed with the Commission pursuant to the Exchange Act and deemed to be incorporated by reference in the Registration Statement and the Prospectus pursuant to Item 12 of Form S-3 (except as to financial statements and other financial and statistical data constituting a part thereof or incorporated by reference therein, upon which such opinions need not pass), at the time they were filed with the Commission, complied as to form in all material respects with the requirements of the Exchange Act and the applicable instructions, rules and regulations of the Commission thereunder; the Registration Statement has become effective under the Securities Act and, to the best of the knowledge of said counsel, no stop order suspending the effectiveness of the Registration Statement has been issued and not withdrawn, and no proceedings for a stop order with respect thereto are threatened or pending under Section 8 of the Securities Act;

(vii) Nothing has come to the attention of said counsel that would lead them to believe that the Registration Statement, at the time and date it was declared effective by the Commission, 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, at the time it was filed with, or transmitted for filing to, the Commission pursuant to Rule 424 or at the Closing Date, included or includes 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 as to financial statements and other financial and statistical data constituting a part of the Registration Statement or the Prospectus or incorporated by reference therein, upon which such opinions need not pass);

(d) At the Closing Date, the Representative shall receive from R. Alexander Glenn, Associate General Counsel of the Company, a favorable opinion in form and substance satisfactory to counsel for the Underwriters, to the same effect with respect to the matters enumerated in subdivisions (i) through (v) and subdivision (vii) of subparagraph (c) of this paragraph 9 as the opinions required by said subparagraph (c), and to the further effect that:

(i) The Company is a validly organized and existing corporation under the laws of the State of Florida;

(ii) The Company is duly authorized by its Charter to conduct the business that it is now conducting as set forth in the Prospectus;

(iii) The Company is an electrical utility engaged in the business of generating, transmitting, distributing and selling electric power to the general public in the State of Florida;

(iv) The Company has valid and subsisting franchises, licenses and permits adequate for the conduct of its business, except where the failure to hold such franchises, licenses and permits would not have a material adverse effect on the condition, financial or otherwise, earnings, property, business affairs or business prospects of the Company and its subsidiaries considered as a whole;

(v) The Company has good and marketable title, with minor exceptions, restrictions and reservations in conveyances, and defects that are of the nature ordinarily found in properties of similar character and magnitude and that, in his opinion, will not in any substantial way impair the security afforded by the Mortgage, to all the properties described in the granting clauses of the Mortgage and upon which the Mortgage purports to create a lien. The description in the Mortgage of the above-mentioned properties is legally sufficient to constitute the Mortgage a lien upon said properties, including without limitation properties hereafter acquired by the Company (other than those expressly excepted and reserved therefrom). Said properties constitute substantially all the permanent physical properties and franchises (other than those expressly excepted and reserved therefrom) of the Company and are held by the Company free and clear of all liens and encumbrances except the lien of the Mortgage and excepted

encumbrances, as defined in the Mortgage. The properties of the Company are subject to liens for current taxes, which it is the practice of the Company to pay regularly as and when due. The Company has easements for rights-of-way adequate for the operations and maintenance of its transmission and distribution lines that are not constructed upon public highways. The Company has followed the practice generally of acquiring certain rights-of-way and easements and certain small parcels of fee property appurtenant thereto and for use in conjunction therewith, and certain other properties of small or inconsequential value, without an examination of title and, as to the title to lands affected by said rights-of-way and easements, of not examining the title of the lessor or grantor whenever the lands affected by such rights-of-way and easements are not of such substantial value as in the opinion of the Company to justify the expense attendant upon examination of titles in connection therewith. In the opinion of said counsel, such practice of the Company is consistent with sound economic practice and with the method followed by other companies engaged in the same business and is reasonably adequate to assure the Company of good and marketable title to all such property acquired by it. It is the opinion of said counsel that any such conditions or defects as may be covered by the above recited exceptions are not substantial and would not materially interfere with the Company's use of such properties or with its business operations. The Company has the right of eminent domain in the State of Florida under which it may, if necessary, perfect or obtain title to privately owned land or acquire easements or rights-of-way required for use or used by the Company in its public utility operations;

(vi) The Mortgage has been recorded and filed in such manner and in such places as may be required by law in order fully to preserve and protect, in all material respects, the security of the bondholders and all rights of the Trustee thereunder; and the Supplemental Indenture relating to the Securities is in proper form for filing for record both as a real estate mortgage and as a security interest in all counties in the State of Florida in which any of the property (except as any therein or in the Mortgage are expressly excepted) described therein or in the Mortgage as subject to the lien of the Mortgage is located and, upon such recording, the Supplemental Indenture will constitute adequate record notice to perfect the lien of the Mortgage, and preserve and protect, in all material respects, the security of the bondholders and all rights of the Trustee, as to all mortgaged and pledged property acquired by the Company subsequent to the recording of the Thirty-seventh Supplemental Indenture and prior to the recording of the Supplemental Indenture;

(vii) The Mortgage constitutes a valid, direct and first mortgage lien of record upon all franchises and properties now owned by the Company (other than those expressly excepted therefrom and other than those franchises and properties which are not, individually or in the aggregate, material to the Company or the security afforded by the Mortgage) situated in the State of Florida, as described or referred to in the granting clauses of the Mortgage, subject to the exceptions as to

bankruptcy, insolvency and other laws stated in subdivision (i) of subparagraph (c) above;

(viii) The issuance and sale of the Securities have been duly authorized by all necessary corporate action on the part of the Company;

(ix) An order has been entered by the Florida Public Service Commission authorizing the issuance and sale of the Securities, and to the best of the knowledge of said counsel, said order is still in force and effect; and no further filing with, approval, authorization, consent or other order of any public board or body (except such as have been obtained under the Securities Act and as may be required under the state securities or Blue Sky laws of any jurisdiction) is legally required for the consummation of the transactions contemplated in this Agreement;

(x) Except as described in or contemplated by the Prospectus, there are no pending actions, suits or proceedings (regulatory or otherwise) against the Company or any of its subsidiaries or properties that are likely, in the aggregate, to result in any material adverse change in the condition, financial or otherwise, earnings, property, business affairs of business prospects of the Company and its subsidiaries considered as a whole or that are likely, in the aggregate, to materially and adversely affect the Mortgage, the Securities or the consummation of this Agreement, or the transactions contemplated herein or therein; and

(xi) The consummation of the transactions herein contemplated and the fulfillment of the terms hereof will not (i) result in a breach of any of the terms or provisions of, or constitute a default under, the Charter or the Company's by-laws or (ii) result in a material breach of any terms or provisions of, or constitute a default under, any applicable law, indenture, mortgage, deed of trust or other agreement or instrument to which the Company is now a party or any judgment, order, writ or decree of any government or governmental authority or agency or court having jurisdiction over the Company or any of its subsidiaries or any of their assets, properties or operations.

(f) At the Closing Date, the Representative shall have received from each of KPMG LLP and Deloitte & Touche LLP a letter, dated the Closing Date, confirming that they are independent certified public accountants within the meaning of the Securities Act and the Exchange Act, and of the applicable published rules and regulations thereunder, and stating in effect: (i) with respect to the letter from KPMG LLP, that in their opinion, the audited financial statements incorporated by reference in the Registration Statement comply as to form in all material respects with the applicable accounting requirements of the Securities Act or the Exchange Act, as applicable, and of the published rules and regulations thereunder; (ii) with respect to the letter from Deloitte & Touche LLP, that based on the performance of the procedures specified by the American Institute of Certified Public Accountants for review of interim financial information as described in Statement on Auditing Standards ("SAS") No. 71, Interim Financial Information, on the



unaudited financial statements incorporated by reference in the Registration Statement, inquiries of officials of the Company responsible for financial and accounting matters and reading the minutes of meetings of the Board of Directors, of the Executive Committee of the Board of Directors and of the shareholders, nothing came to their attention that caused them to believe that (A) the unaudited financial statements incorporated by reference in the Registration Statement do not comply as to form in all material respects with the applicable accounting requirements of the Securities Act or the Exchange Act, as applicable, and the published rules and regulations thereunder or any material modifications should be made for them to be in conformity with generally accepted accounting principles applied on a basis substantially consistent with that of the most recent audited financial statements incorporated by reference in the Registration Statement; or (B) at the date of the latest available interim balance sheet read by them and at a subsequent date not more than three business days prior to the date of the letter, there was any change in the capital stock or long-term debt of the Company, or at the date of the latest available interim balance sheet read by them, there was any decrease in net assets as compared with the amount shown on the most recent balance sheet incorporated by reference in the Registration Statement, except for changes or decreases that the Registration Statement discloses have occurred or may occur, for declarations of dividends or for changes or decreases that are described in the letter; and (iii) from both KPMG LLP and Deloitte & Touche LLP, covering such other matters as the Representative shall reasonably request.

(g) At the Closing Date, the Representative shall receive a certificate of the Chairman, President or a Vice President of the Company, dated the Closing Date, to the effect that the representations and warranties of the Company in this Agreement are true and correct as of the Closing Date.

(h) All legal proceedings taken in connection with the sale and delivery of the Securities shall have been satisfactory in form and substance to counsel for the Underwriters, and the Company, as of the Closing Date, shall be in compliance with any governing order of the Florida Public Service Commission, except where the failure to comply with such order would not be material to the offering or validity of the Securities.

In case any of the conditions specified above in this paragraph 9 shall not have been fulfilled or waived by 2:00 P.M. on the Closing Date, this Agreement may be terminated by the Representative by mailing or delivering written notice thereof to the Company. Any such termination shall be without liability of any party to any other party except as otherwise provided in paragraphs 7 and 8.

10. Conditions of the Company's Obligations. The obligations of the Company to deliver the Securities shall be subject to the following conditions:

(a) No stop order suspending the effectiveness of the Registration Statement shall be in effect on the Closing Date, and no proceedings for that purpose shall be pending before or threatened by the Commission on the Closing Date.

(b) Prior to 12:00 Noon, New York time, on the day following the date of this Agreement, or such later date as shall have been consented to by the Company, there shall have been issued and on the Closing Date there shall be in full force and effect an order of the Florida Public Service Commission authorizing the issuance and sale by the Company of the Securities, which shall not contain any provision unacceptable to the Company by reason of its being materially adverse to the Company (it being understood that the order in effect as of the date of this Agreement contains any such unacceptable provision).

In case any of the conditions specified in this paragraph 10 shall not have been fulfilled at the Closing Date, this Agreement may be terminated by the Company by mailing or delivering written notice thereof to the Representative. Any such termination shall be without liability of any party to any other party except as otherwise provided in paragraphs 7 and 8.

11. Indemnification.

(a) The Company agrees to indemnify and hold harmless each Underwriter, each officer and director of each Underwriter and each person who controls any Underwriter within the meaning of Section 15 of the Securities Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or under any other statute or common law and to reimburse each such Underwriter, each such officer and director, and each such controlling person for any legal or other expenses (including to the extent hereinafter provided, reasonable counsel fees) incurred by them, when and as incurred, in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon any untrue statement, or alleged untrue statement, of a material fact contained in the Registration Statement, any preliminary prospectus or the Prospectus, or in the Registration Statement or Prospectus as amended or supplemented (if any amendments or supplements thereto shall have been furnished), or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the indemnity agreement contained in this paragraph 11 shall not apply to any such losses, claims, damages, liabilities, expenses or actions arising out of or based upon any such untrue statement or alleged untrue statement, or any such omission or alleged omission, if such statement or omission was made in reliance upon and in conformity with information furnished herein or in writing to the Company by any Underwriter through the Representative expressly for use in the Registration Statement, any preliminary prospectus or the Prospectus, or any amendment or supplement to any thereof, or arising out of, or based upon, statements in or omissions from that part of the Registration Statement that shall constitute the Statement of Eligibility under the 1939 Act (Form T-1) of the Trustee, and provided, further, that the indemnity agreement contained in this paragraph 11 shall not inure to the benefit of any Underwriter (or of any person controlling such Underwriter) on account of any such losses, claims, damages, liabilities, expenses or actions arising from the sale of the Securities to any person if a copy of the Prospectus (excluding documents incorporated by reference therein) shall not

have been given or sent to such person by or on behalf of such Underwriter with or prior to the written confirmation of the sale involved, unless such Prospectus failed to correct the omission or misstatement. The indemnity agreement of the Company contained in this paragraph 11 and the representations and warranties of the Company contained in paragraph 3 hereof shall remain operative and in full force and effect regardless of any investigation made by or on behalf of any Underwriter, and such officer or director or any such controlling person and shall survive the delivery of the Securities. The Underwriters agree to notify promptly the Company, and each other Underwriter, of the commencement of any litigation or proceedings against them or any of them, or any such officer or director or any such controlling person, in connection with the sale of the Securities.

(b) Each Underwriter severally, and not jointly, agrees to indemnify and hold harmless the Company, its officers and directors, and each person who controls the Company within the meaning of Section 15 of the Securities Act, against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Securities Act or under any other statute or common law, and to reimburse each of them for any legal or other expenses (including, to the extent hereinafter provided, reasonable counsel fees) incurred by them, when and as incurred, in connection with investigating any such losses, claims, damages, or liabilities, or in connection with defending any actions, insofar as such losses, claims, damages, liabilities, expenses or actions arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any preliminary prospectus or the Prospectus as amended or supplemented (if any amendments or supplements thereto shall have been furnished), or the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, if such statement or omission was made in reliance upon and in conformity with information furnished herein or in writing to the Company by such Underwriter or through the Representative on behalf of such Underwriter expressly for use in the Registration Statement, any preliminary prospectus or the Prospectus or any amendment or supplement to any thereof. The indemnity agreement of all the respective Underwriters contained in this paragraph 11 shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Company or any other Underwriter, or any such officer or director or any such controlling person, and shall survive the delivery of the Securities. The Company agrees promptly to notify the Representative of the commencement of any litigation or proceedings against the Company or any of its officers or directors, or any such controlling person, in connection with the sale of the Securities.

(c) The Company and each of the Underwriters agree that, upon the receipt of notice of the commencement of any action against it, its officers or directors, or any person controlling it as aforesaid, in respect of which indemnity may be sought on account of any indemnity agreement contained herein, it will promptly give written notice of the commencement thereof to the party or parties against whom indemnity shall be sought hereunder. The Company and each of the Underwriters agree that the notification required by the preceding sentence shall be a material term of this Agreement. The

omission so to notify such indemnifying party or parties of any such action shall relieve such indemnifying party or parties from any liability that it or they may have to the indemnified party on account of any indemnity agreement contained herein if such indemnifying party was materially prejudiced by such omission, but shall not relieve such indemnifying party or parties from any liability that it or they may have to the indemnified party otherwise than on account of such indemnity agreement. In case such notice of any such action shall be so given, such indemnifying party shall be entitled to participate at its own expense in the defense or, if it so elects, to assume (in conjunction with any other indemnifying parties) the defense of such action, in which event such defense shall be conducted by counsel chosen by such indemnifying party (or parties) and satisfactory to the indemnified party or parties who shall be defendant or defendants in such action, and such defendant or defendants shall bear the fees and expenses of any additional counsel retained by them; but if the indemnifying party shall elect not to assume the defense of such action, such indemnifying parties will reimburse such indemnified party or parties for the reasonable fees and expenses of any counsel retained by them, as such expenses are incurred; provided, however, if the defendants (including any impleaded parties) in any such action include both the indemnified party and the indemnifying party, and counsel for the indemnified party shall have concluded, in its reasonable judgment, that there may be a conflict of interest involved in the representation by such counsel of both the indemnifying party and the indemnified party, the indemnified party or parties shall have the right to select separate counsel, satisfactory to the indemnifying party, to participate in the defense of such action on behalf of such indemnified party or parties (it being understood, however, that the indemnifying party shall not be liable for the expenses of more than one separate counsel representing the indemnified parties who are parties to such action). Each of the Company and the several Underwriters agrees that without the other party's prior written consent, which consent shall not be unreasonably withheld, it will not settle, compromise or consent to the entry of any judgment in any claim in respect of which indemnification may be sought under the indemnification provisions of this Agreement, unless such settlement, compromise or consent (i) includes an unconditional release of such other party from all liability arising out of such claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act by or on behalf of such other party.

(d) If the indemnification provided for in subparagraphs (a) or (b) above is for any reason unavailable to or insufficient to hold harmless an indemnified party in respect of any losses, liabilities, claims, damages or expenses referred to therein, then each indemnifying party shall contribute to the aggregate amount of such losses, liabilities, claims, damages and expenses incurred by such indemnified party, as incurred, (i) 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 hand, from the offering of the Securities pursuant to this Agreement or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of the Company, on the one hand, and of the Underwriters, on the other hand, in connection with the statements or omissions that resulted in such losses, liabilities, claims, damages or expenses, 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 hand, in connection with the offering of the Securities pursuant to this Agreement shall be deemed to be in the same respective proportions as the total net proceeds from the offering of the Securities pursuant to this Agreement (before deducting expenses) received by the Company and the total underwriting discount received by the Underwriters, in each case as set forth on the cover of the Prospectus, bear to the aggregate initial public offering price of the Securities as set forth on such cover. The relative fault of the Company, on the one hand, and the Underwriters, on the other hand, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters 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 contribution pursuant to this paragraph (d) 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 that does not take account of the equitable considerations referred to above in this subparagraph (d). No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this subparagraph (d), each person, if any, who controls an Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer 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 Securities Act or Section 20 of the Exchange Act shall have the same rights to contribution as the Company. The Underwriters' respective obligations to contribute pursuant to this subparagraph (d) are several in proportion to the number of Securities set forth opposite their respective names in Schedule II hereto and not joint.

(e) For purposes of this paragraph 11, it is understood and agreed that the only information provided by the Underwriters expressly for use in the Registration Statement and Prospectus were the following parts of the Section titled "Underwriting": the second, third and fourth sentences of the second paragraph, the third sentence of the third paragraph, and all of the fifth paragraph.

12. Termination Date of this Agreement. This Agreement may be terminated by the Representative at any time prior to the Closing Date by delivering written notice thereof to the Company, if on or after the date of this Agreement but prior to such time (a) there shall have occurred any general suspension of trading in securities on the New York Stock Exchange, or there shall have been established by the New York Stock Exchange or by the Commission or by any federal or state agency or by the decision of any court any limitation on prices for such trading or any restrictions on the distribution of securities, or (b) there shall have occurred any new outbreak of hostilities, including, but not limited to, an escalation of hostilities that existed prior to the date of this Agreement or any national or international calamity or crisis, or any adverse change in the financial markets, the effect of which outbreak, escalation, calamity or

crisis, or adverse change on the financial markets of the United States shall be such as to make it impracticable, in the reasonable judgment of the Representative, for the Underwriters to enforce contracts for the sale of the Securities, or (c) the Company shall have sustained a substantial loss by fire, flood, accident or other calamity that renders it impracticable, in the reasonable judgment of the Representative, to consummate the sale of the Securities and the delivery of the Securities by the several Underwriters at the initial public offering price, or (d) there shall have been any downgrading or any notice of any intended or potential downgrading in the rating accorded the Company's securities by any "nationally recognized statistical rating organization" as that term is defined by the Commission for the purposes of Securities Act Rule 436(g)(2), or any such organization shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Securities, or any of the Company's other outstanding debt, the effect of which in the reasonable judgment of the Representative, makes it impracticable or inadvisable to consummate the sale of the Securities and the delivery of the Securities by the several Underwriters at the initial public offering price. This Agreement may also be terminated at any time prior to the Closing Date if in the reasonable judgment of the Representative the subject matter of any amendment or supplement to the Registration Statement or Prospectus (other than an amendment or supplement relating solely to the activity of any Underwriter or Underwriters) filed after the execution of this Agreement shall have materially impaired the marketability of the Securities. Any termination hereof pursuant to this paragraph 12 shall be without liability of any party to any other party except as otherwise provided in paragraphs 7 and 8.

13. Miscellaneous. The validity and interpretation of this Agreement shall be governed by the laws of the State of New York. Unless otherwise specified, time of day refers to New York City time. This Agreement shall inure to the benefit of, and be binding upon, the Company, the several Underwriters, and with respect to the provisions of paragraph 11, the officers and directors and each controlling person referred to in paragraph 11, and their respective successors. Nothing in this Agreement is intended or shall be construed to give to any other person, firm or corporation any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision herein contained. The term "successors" as used in this Agreement shall not include any purchaser, as such purchaser, of any of the Securities from any of the several Underwriters.

14. Notices. All communications hereunder shall be in writing or by telefax and, if to the Underwriters, shall be mailed, transmitted by any standard form of telecommunication or delivered to the Representative at the address set forth in Schedule I hereto and if to the Company, shall be mailed or delivered to it at 410 South Wilmington Street, Raleigh, North Carolina 27601, attention of Thomas R. Sullivan, Treasurer.

15. Counterparts. This Agreement may be simultaneously executed in counterparts, each of which when so executed shall be deemed to be an original. Such counterparts shall together constitute one and the same instrument.

16. Defined Terms. Unless otherwise defined herein, capitalized terms used in this Underwriting Agreement shall have the meanings assigned to them in the Registration Statement.

[The remainder of this page has been intentionally left blank.]

If the foregoing is in accordance with your understanding of our agreement, kindly sign and return to the Company the enclosed duplicate hereof whereupon it will become a binding agreement between the Company and the several Underwriters in accordance with its terms.

Very truly yours,

**FLORIDA POWER CORPORATION**

By : /s/ Peter M. Scott III  
Authorized Representative

Accepted as of the date first  
above written, as Underwriter  
named in, and as the Representative  
of the other Underwriters named in, Schedule II.  
**BANC OF AMERICA SECURITIES LLC**

By: /s/ Lily Chang  
Authorized Representative



## SCHEDULE I

Underwriting Agreement dated July 10, 2001

Registration Statement Nos.: 333-63204 and pre-effective amendment no. 1 thereto, with respect to the \$380,000,000 aggregate principal amount of the Company's First Mortgage Bonds and Debt Securities, which also constitutes Post-Effective Amendment No.1 to Registration Statement Nos. 33-55273, 33-62210 and 333-29897, each discussed in further detail below.

Post-Effective Amendment No. 1 to Registration Statement No. 33-55273, with respect to the \$250,000,000 aggregate principal amount of the Company's First Mortgage Bonds and Debt Securities.

Post-Effective Amendment No. 1 to Registration Statement No. 33-62210, with respect to the \$120,000,000 aggregate principal amount of the Company's First Mortgage Bonds and Debt Securities.

Post-Effective Amendment No. 1 to Registration Statement No. 333-29897, with respect to the \$250,000,000 aggregate principal amount of the Company's First Mortgage Bonds and Debt Securities.

Representative and Addresses:

Banc of America Securities LLC  
Bank of America Corporate Center  
100 North Tryon Street  
Charlotte, North Carolina 28225  
Attention: Brian Hungerford

Designation: First Mortgage Bonds, 6.650% Series due 2011

Principal Amount: \$300,000,000

Supplemental Indenture: Thirty-ninth, dated as of July 1, 2001

Secured By: The lien of the Mortgage (as defined in Section 2 hereof)

Date of Maturity: July 15, 2011

Interest Rate: 6.650% per annum, payable January 15 and July 15 of each year, commencing January 15, 2002.

Purchase Price: 99.207% of the principal amount thereof, plus accrued interest from July 18, 2001 to the date of payment and delivery.

Public Offering Price: 99.857% of the principal amount thereof, plus accrued interest from July 18, 2001 to the date of payment and delivery.

Redemption Terms:                    Optional— redeemable prior to maturity, in whole or in part, at the option of the Company at a make-whole redemption price (as defined and described in further detail in the prospectus supplement).

Special— redeemable prior to maturity, in whole but not in part, upon the occurrence of specific events, at the option of the Company at a make-whole redemption price (as defined and described in further detail in the prospectus supplement).

Closing Date and Location:                    July 18, 2001

Hunton & Williams  
One Hannover Square, 14<sup>th</sup> Floor  
Raleigh, North Carolina 27601

SCHEDULE II

<u>Underwriter</u>	<u>Principal Amount</u>
Banc of America Securities LLC	\$120,000,000
Banc One Capital Markets, Inc.	\$ 60,000,000
Salomon Smith Barney Inc.	\$ 60,000,000
SunTrust Equitable Securities Corporation	\$ 30,000,000
Wachovia Securities, Inc.	<u>\$ 30,000,000</u>
<b>Total</b>	<b>\$300,000,000</b>

**SCHEDULE III**

Pursuant to Section 7(e) hereof, the Company shall, prior to the Closing Date, cause the Supplemental Indenture to be filed in the Office of the Secretary of State of the State of Florida and recorded in the following County recording offices in the State of Florida:

- 1) Citrus
- 2) Pinellas
- 3) Polk
- 4) Orange
- 5) Pasco
- 6) Volusia
- 7) Seminole
- 8) Osceola
- 9) Lake
- 10) Marion
- 11) Highlands
- 12) Alachua
- 13) Sumter
- 14) Hernando

**STATEMENT REGARDING UNDERWRITERS'  
FEES**

<b>Underwriter</b>	<b>Address</b>	<b>Amount Underwritten</b>	<b>Underwriter Fees</b>	<b>Affiliation w/ Florida Power Co.</b>
Banc of America Securities LLC	100 North Tryon St.; Charlotte, NC	\$ 120,000,000	\$ 780,000	None
Banc One Capital Markets, Inc.	1 Bank One Plaza; Chicago, IL	\$ 60,000,000	\$ 390,000	None
Salomon Smith Barney Inc.	390 Greenwich St.; New York, NY	\$ 60,000,000	\$ 390,000	None
SunTrust Equitable Securities Corp	PO Box 4418; Atlanta, GA	\$ 30,000,000	\$ 195,000	None
Wachovia Securities, Inc.	100 North Main St.; Winston-Salem, NC	\$ 30,000,000	\$ 195,000	None
		<b>\$ 300,000,000</b>	<b>\$ 1,950,000</b>	