

and its successors in said trust, for the benefit of those who shall hold the Bonds and coupons, or any of them, as follows:

ARTICLE 1.

DEFINITIONS.

§ 1.01. The terms hereinbelow in this Article 1 mentioned shall, for all purposes of this Indenture and of any indenture supplemental hereto and of any certificate, opinion or other document filed with the Trustee, have the meanings herein specified unless the context otherwise clearly requires.

None of the provisions of the following paragraph shall be effective for any purpose unless and until this Indenture shall be qualified under the Trust Indenture Act of 1939. Upon such qualification, however, all such provisions shall become effective for all purposes.

Unless otherwise defined in this Indenture, all terms used herein shall, respectively, unless the context shall clearly indicate some other meaning to be intended, for all such purposes, have the meanings assigned to such terms in the Trust Indenture Act of 1939.

Wherever reference is made in this Indenture to the Trust Indenture Act of 1939, reference is made to such Act as in force on the date of the execution of this Indenture.

§ 1.02. (a) The term "Company" shall mean and include not only Piedmont Natural Gas Company, Inc., the party of the first part hereto, but also any successor corporation which shall become such in the manner hereinafter in Article 10 prescribed.

(b) The term "obligor", when used with respect to Bonds issued or issuable under this Indenture, shall mean every person who is liable thereon.

(c) The term "affiliate" shall mean any person, directly or indirectly controlling or controlled by, or under direct or indirect common control with, any such obligor. The terms "affiliated" and "affiliation" shall have meanings correlative to the foregoing.

(d) The term "control" shall mean the power to direct the management and policies of a person, directly or through one or more

intended so to be, unto the Trustee and its successors in the trust and their assigns forever;

SUBJECT, HOWEVER, as to the properties and rights hereinbefore described, in so far as affected thereby, (a) to the specific liens, encumbrances, reservations, restrictions, conditions, limitations, covenants, interests and exceptions, if any, set forth or referred to in the descriptions thereof in the deeds or grants hereinbefore described, none of which substantially interferes with the free use and enjoyment by the Company of the properties and rights so described for the general purposes and uses of the Company's business; (b) any permitted liens as defined in § 1.05(a) hereof; and (c) liens existing on any property hereafter acquired by the Company at the time of such acquisition and permitted by § 5.04; and to any liens created thereon at the time of the acquisition thereof to secure or raise a part of the purchase price thereof and permitted by § 5.04.

IN TRUST, NEVERTHELESS, upon the terms and trusts herein set forth for the equal and proportionate benefit and security of all present and future holders of the Bonds and coupons issued and to be issued hereunder, or any of them, without preference or priority of any of said Bonds or coupons over any others thereof, or of the Bonds and coupons of any particular series over the Bonds and coupons of any other series, by reason of priority in the time of issue, sale or negotiation thereof, or by reason of the purpose of issue or otherwise howsoever, except as any sinking, amortization, improvement, renewal or other analogous fund, established in accordance with the provisions hereof, may afford additional security for the Bonds of any particular series and except as otherwise provided in § 9.29.

AND IT IS HEREBY COVENANTED AND DECLARED AND AGREED by and between the parties hereto that all the Bonds and coupons are to be issued, authenticated and delivered, and that all the trust estate is to be held and applied, subject to the further covenants, conditions, uses and trusts hereinafter set forth; and the Company for itself and its successors, does hereby covenant and agree to and with the Trustee