

MORTGAGE AND DEED OF TRUST dated as of March 1, 1951 by and between Piedmont Natural Gas Company, Inc., a corporation duly organized and existing under the laws of the State of New York (hereinafter sometimes called "the Company"), party of the first part, and J. P. Morgan & Co. Incorporated, a corporation duly organized and existing under the laws of the State of New York, and having its principal place of business in the Borough of Manhattan, City and State of New York (hereinafter sometimes called "the Trustee"), party of the second part.

WHEREAS, the Company is authorized by law and deems it necessary from time to time to borrow money for its corporate purposes and to issue its bonds therefor, and to mortgage and pledge its property and franchises hereinafter described as security for the payment of such bonds, and to that end has authorized the issue of its bonds, from time to time, limited in aggregate principal amount as hereinafter provided, to be issued in one or more series, to be designated generally as "First Mortgage Bonds" (hereinafter called the "Bonds"), the Bonds of each series to be issuable originally either as coupon Bonds with the privilege of registration as to principal, with interest coupons attached, or as registered Bonds without coupons, or both, all such Bonds to be authenticated by the certificate of the Trustee; and

WHEREAS, the execution of this Indenture has been duly consented to by the stockholders and authorized by the Board of Directors of the Company and all other things necessary to constitute this Indenture a valid mortgage and deed of trust to secure the payment of the principal of and interest and premium, if any, on all Bonds to be issued hereunder have been done and performed; and

WHEREAS, all action on the part of the Company necessary to authorize an initial series hereunder to be designated First Mortgage Bonds, 3 $\frac{3}{4}$ % Series due 1976 (hereinafter sometimes referred to as "Bonds of the 1976 Series") has been duly taken; and

WHEREAS, the coupon Bonds of the 1976 Series, the coupons accompanying thereto, the registered Bonds without coupons of said Series

and the Trustee's authentication certificate on all Bonds are to be substantially in the forms following, respectively:

No. M [FORM OF COUPON BOND OF THE 1976 SERIES] \$1,000

PIEDMONT NATURAL GAS COMPANY, INC.

Incorporated under the laws of the State of New York

First Mortgage Bond

3 $\frac{3}{4}$ % Series due 1976

Due March 1, 1976

PIEDMONT NATURAL GAS COMPANY, INC., a New York corporation (hereinafter sometimes called the "Company"), which term shall include any successor corporation as defined in the Indenture hereinafter mentioned), for value received, hereby promises to pay to the bearer or, in case this bond be registered as to principal, then to the registered owner hereof, One Thousand Dollars (\$1,000) on March 1, 1976, and to pay interest thereon from March 1, 1951, at the rate of three and three-quarters per centum (3 $\frac{3}{4}$ %) per annum, semi-annually on the first day of March and on the first day of September in each year until the principal hereof shall have become due and payable, and thereafter if default be made in the payment of such principal, at the rate of six per centum (6%) per annum until the principal hereof shall be paid, but at or prior to maturity of this bond only upon presentation and surrender of the respective coupons attached hereto as they shall severally mature.

The principal of, interest and premium, if any, on this bond will be paid in lawful money of the United States of America at the principal office in the Borough of Manhattan, City and State of New York, of J. P. Morgan & Co. Incorporated (hereinafter, with its successor in the trusts under the Indenture mentioned below, sometimes called the "Trustee"), or at the principal office of its successor in said trusts.

This bond is one of an authorized issue of bonds of the Company, known as First Mortgage Bonds, limited as to maximum aggregate principal amount at any one time outstanding as provided in the Indenture hereinafter mentioned, all issued, and to be issued in series, from time to time (this bond being one of the First Mortgage Bonds,