

ary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of such person, such condition or covenant has been complied with. Any certificate of the Company or opinion of counsel which is hereinafter expressly required to contain a statement as to compliance with conditions precedent shall also state that all conditions precedent, if any, provided for in this Indenture relating to the action to be taken by the Trustees or either of them upon the request or direction in connection with which such certificate or opinion is furnished have been complied with.

The acceptance by the Principal Trustee of a certificate or opinion of an independent engineer or accountant shall be sufficient evidence that the signer or signers have been approved by, or are satisfactory to, the Principal Trustee, as the case may be.

Each certificate by an independent engineer or independent public accountant shall state that the signer has read the definition herein contained of an independent engineer or independent public accountant, as the case may be, and that the signer is an independent engineer or independent public accountant, as the case may be, within the meaning of such definition.

(j) Except as herein elsewhere specifically required, no certificate or opinion as to compliance with conditions precedent need be made by any person other than an officer or employee of the Company (i) as to dates or periods not covered by annual reports required to be filed by the Company, in the case of conditions precedent which depend upon a state of facts as of a date or dates or for a period or periods different from that required to be covered by such annual reports, or (ii) as to the amount and value of property additions, or (iii) as to the adequacy of depreciation, maintenance or repairs.

(k) The terms "responsible officer" and "responsible officers" of any Trustee as used in § 9.02, § 9.15, § 12.03 and § 13.07 shall mean and include the Chairman and Vice-Chairman of the Board of Directors and of the Executive Committee, the President, every Vice President, every Assistant or Second Vice President, the Treasurer, every Assistant Treasurer, the Cashier and every Assistant Cashier, the Sec-

retary and every Assistant Secretary, every Trust Officer, every Assistant Trust Officer and any other officer of such Trustee with supervisory powers who customarily performs functions similar to those performed by any of the foregoing individuals or to whom any corporate trust matter is referred because of his knowledge of, and familiarity with, a particular subject.

(l) The terms "outstanding under this Indenture", "outstanding hereunder", and "outstanding", when used with reference to bonds, shall mean as of any particular time all bonds then and thereafter authenticated and delivered under this Indenture except (a) bonds paid, retired, redeemed or cancelled or surrendered to the Principal Trustee for cancellation, at or prior to the particular time, (b) bonds for the payment, retirement or redemption of which cash in the necessary amount shall have theretofore been deposited with the Principal Trustee in accordance with the provisions hereof (whether prior to, upon or after the maturity, or the redemption date of such bonds) provided that if such bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in Article 2 hereof, provided, or irrevocable authorization shall have been given by the Company to the Principal Trustee to give such notice, (c) bonds in lieu of and in substitution for which other bonds shall have been authenticated and delivered pursuant to the terms of § 2.11 and (d) bonds deposited with or held by the Principal Trustee under any of the provisions of this Indenture, including any so held under any sinking or other similar fund; provided that in determining the percentage of the principal amount of bonds outstanding or of bonds of a particular series outstanding entitling the holders thereof to take any action pursuant to any provision of this Indenture, or in determining whether the holders of the required percentage of the aggregate principal amount of bonds outstanding or of bonds of a particular series outstanding have concurred in any direction to the Trustees or either of them or in any consent pursuant to any provision of this Indenture, bonds owned jointly or equitably by the Company or by any other obligor upon the bonds or by any affiliate of the Company or of any such other obligor shall be disregarded, except that for the

purpose of determining whether a Trustee shall be protected in relying on any such direction or consent, only bonds which a Trustee knows are so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as outstanding for any such purpose if the pledgee shall establish to the satisfaction of such Trustee the pledgee's right to vote such bonds and that the pledgee is not an affiliate of the Company or of any such other obligor. In case of a dispute as to such right, any decision by such Trustee taken upon the advice of counsel shall be full protection to a Trustee.

§ 1.01: The term "permitted encumbrances" shall mean as of any particular time any of the following:

(a) Liens for taxes, assessments or governmental charges for the then current year; and liens for taxes, assessments or governmental charges, workmen's compensation awards and similar obligations not then due and delinquent;

(b) Liens for taxes, governmental charges or assessments already due (or liens incidental to construction or operation for indebtedness already due) but the validity of which is being contested at the time by the Company in good faith pursuant to the provisions of § 4.05;

(c) Any liens securing indebtedness, neither payable by, nor assumed nor guaranteed by, the Company nor on account of which it customarily pays interest, existing, either at the date hereof, or, as to property hereafter acquired, at the time of acquisition by the Company, upon real estate or rights in or relating to real estate acquired by the Company for regulating line, measuring station, gathering line, gas transportation line, distribution line, telephone or telegraph line, or right of way purposes;

(d) Easements, licenses, restrictions, exceptions, incumbrances or other outstanding interests in or against any property and/or rights-of-way of the Company created or existing by way of, or for the purpose of, public highways, private roads, railroads, railroad sidetracks, pipe lines, gas transportation lines, transmission lines, distribution lines, telegraph or telephone lines, mains, and other like purposes; water power rights

of the State or others; building and use restrictions; and defects, irregularities and deficiencies in title to, or leases of minor parts of, the mortgaged property which do not, in the opinion of counsel, materially impair the use of the mortgaged property as an entirety in the operation of the business of the Company;

(e) Any obligations or duties affecting the property of the Company to any municipality or public authority with respect to any franchise, grant, license or permit;

(f) Defects in titles to rights-of-way for gas transportation and distribution lines over public or private property;

(g) Rights reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license or permit, or by any provisions of law, to terminate such right, power, franchise, grant, license or permit or to purchase or reacquire or to designate a purchaser of any of the property of the Company or otherwise to control or regulate any property of the Company;

(h) Undetermined liens and charges incidental to current construction or current operation, which have not at the time been filed pursuant to law against the Company or, if so filed, have not yet become due and payable;

(i) Rights granted or created or burdens assumed by the Company, or limitations of rights arising from agreements entered into, under the provisions of paragraph (7) of § 8.03;

(j) Mortgages or other liens securing obligations pledged with the Trustee hereunder and securing no other obligations.

The term "prepaid lien" shall mean any prior lien securing indebtedness for the purchase, payment, satisfaction or redemption of which moneys in the necessary amount shall have been irrevocably deposited in trust with the Principal Trustee or with the trustee or other holder of the prior lien securing such indebtedness (whether prior to, upon or after the maturity or the redemption date of such indebtedness), provided that, if any such indebtedness is to be redeemed prior to the maturity thereof, notice of such redemption shall have been published or otherwise given as required by the mortgage