

way, and roads; all plants for the generation of electricity by water, steam, or other power, power houses, steam heat and hot water plants; all substations, buildings, houses, and all other structures, and the equipment and appurtenances thereof; all machinery, engines, boilers, dynamos, electric machines, regulators, meters, transformers, generators, switches, motors, electrical and mechanical appliances, steam, heat; water and other pipes, service pipes, fittings, valves and connections, implements, apparatus, furniture, and chattels; all lines for the transmission or distribution of electric current or steam heat for any purpose, and all towers, poles, wires, cables, pipes, underground conduits, apparatus and equipment owned and used in connection therewith; all easements, servitudes, licenses, permits, franchises, privileges, rights of way and other rights in or relating to public or private property, real or personal, or to the use or occupancy of such property; and (except as hereinafter expressly excepted) all right, title, and interest the Company may now have or may hereafter acquire in or to any and all property of any kind or nature wheresoever situate.

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

It is hereby agreed by the Company that, subject to the provisions of Section 87 hereof, all the property, rights, and franchises acquired by the Company after the date hereof (except any hereinbefore or hereinafter expressly excepted) shall be as fully embraced within the lien hereof as if such property, rights and franchises were now owned by the Company and were specifically described herein and conveyed hereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this Indenture, viz.: (1) cash, shares of stock and obligations (including bonds, notes and other securities) not hereafter specifically pledged, paid, deposited or delivered hereunder or hereinafter covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business or for consumption in the operation of any properties of the Company; vehicles and automobiles; (3) bills, notes and accounts receivable, and all contracts, leases and operating agreements not specifically pledged hereunder or hereinafter covenanted so to be; and (4) electric energy and other materials or products generated, manufactured, produced or purchased by the Company for sale, distribution or use in the ordinary course of its business; provided, however, that the property and rights expressly excepted from the lien and operation of this Indenture in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XII hereof by reason of the occurrence of a Completed Default as defined in said Article XII.

To have and to hold all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto the Individual Trustee and (to the