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It is HEREBY AGREED by the Company that all the property, rights and franchises acquired by the Company after the date hereof (except any hereinafter or hereinafter expressly excepted) shall (subject to the provisions of Section 8.01 of the Indenture and to the extent permitted by law) forthwith upon acquisition thereof by the Company be as fully embraced within the lien of the Indenture as if such property, rights and franchises were now owned by the Company and specifically described therein and conveyed thereby.

EXCEPTED PROPERTY.

In addition to the reservations and exceptions contained elsewhere herein and those contained in the Original Indenture, the following are not and are not intended to be now or hereafter granted, assigned, sold, warranted, aliened, remised, released, conveyed, under and are hereby expressly pledged, set over or confirmed hereunder and are hereby expressly excepted and excluded from the lien and operation of the Indenture, viz.:

(1) all gas and oil and their derivatives in pipe lines or storage reservoirs of the Company's distribution system; all liquid petroleum products resulting from or derived from the production or processing of natural gas and all oil and casing head gas and products thereof or derivatives therefrom;

(2) all gas purchase, gas sales and other contracts, not specifically pledged or required to be pledged by the terms of the Indenture;

(3) all shares of stock and certificates or evidences of interest therein, and all bonds, notes and other evidences of indebtedness or securities of interest therein and other securities owned or possessed by the Company (except securities or obligations specifically pledged to the lien hereof or required to be pledged by the terms of the Indenture) all bills and accounts receivable, cash on hand or in banks (other than cash required by any provisions of the Indenture to be deposited with the Trustee) choses in action and operating agreements;

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(4) all gas, electric energy, water, goods, wares, merchandise, supplies, materials or supplies stored, held or acquired by the Company for the purpose of sale or resale or leasing in the ordinary course of business and all conditional sales contracts, chattel mortgages or other contracts resulting from the disposition thereof; all fuel, oil, materials, equipment, stores and supplies and other personal property which are consumable in their use in the operation of any of the properties of the Company and construction equipment acquired for temporary use; and

(5) all aircraft, water craft, motor coaches, automobiles, tractors and other motor vehicles and materials and supplies held for the purpose of repairing or replacing any of the same; whether any of the property described in clauses (1) to (5), inclusive, always be now owned or hereafter acquired by the Company.

Provided, however, that if, upon the occurrence of a default as in the Indenture defined, the Trustee, any trustee appointed hereunder or any receiver or trustee in bankruptcy shall enter upon and take possession of the mortgaged property, the Trustee or such receiver or trustee may, to the extent permitted by law, at the same time likewise take possession of any and all of the Excepted Property then on hand which is used or useful in connection with the business of the Company and use and administer the same, to the extent permitted by law, to the same extent as if such property were part of the mortgaged property and such properties shall immediately become subject to the lien hereof to the extent permitted by law, unless and until such default shall be remedied and possession of the mortgaged property restored to the Company, its successors or assigns.

To HAVE AND TO HOLD, the same, unto the Trustee and its successor or successors and assigns, forever:

SUNARER, HOWYER, to the reservations, exceptions, limitations and restrictions contained in the several deeds, easements, contracts or other instruments through which the Company acquired or claimable to or enjoys the use of the aforesaid properties; and subject also to