in accordance with generally accepted accounting principles and practices.

In determining cost in cases in which property acquired consists partly of property additions and partly of other property or in cases in which cost is not allocated between various items of property, cost may be allocated to the various parts and items of property in any manner which the signer of the engineer's certificate in which the cost of such parts or items of property is required to be stated deems reasonable and in accordance with generally accepted accounting principles and practices. For the purpose of making such allocation, the signer of the engineer's certificate may rely on and accept, if such signer deems it proper so to do, any action taken by the Board of Directors of the Company with respect to such allocation and any valuation and other reports available to them with respect to the property concerned.

Deposited Cash.

The term "Deposited Cash" shall mean cash deposited with the Trustee under the provisions of Section 3.08.

Engineer and Independent Engineer.

The term "engineer" shall mean any engineer, appraiser or other expert, who may be an individual, co-partnership or corporation, selected and paid by the Company and who may (except as otherwise herein provided) be an officer or employee of the Company; and the term "independent engineer" shall mean an engineer selected and paid by the Company approved by the Trustee in the exercise of reasonable care and who, or each of whom, (1) is in fact independent; (2) does not have any substantial interest, direct or indirect, in the Company or in any affiliate of the Company; and (3) is not connected with the Company or any affiliate of the Company, as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions.

Funded Prior Lien Bonds.

The term "funded prior lien bonds" shall mean any prior lien bonds made the basis for the authentication and delivery of bonds or for the withdrawal of cash held by the Trustee or for the release of funded property from the lien hereof under any provision of this Indenture.

Funded Property.

The term "funded property" or the term "funded" when used with respect to property or property additions shall mean:

(1) All property owned by the Company on August 31, 1956 and subjected or intended to be subjected to the lien of this Indenture; and

(2) all property additions which shall have been certified to the Trustee as a basis for the authentication and delivery of bonds, the withdrawal of Deposited Cash, or the release of funded property or the withdrawal of cash (other than cash received by the Trustee upon the release of property which was not, at the time of such release, funded property) under any of the provisions of this Indenture, or used as the basis of a waiver under Section 4.15, except to the extent, if any, of the unapplied balance of net property additions and of any excess of property additions, certified as a basis for the withdrawal of cash or release of funded property where net property additions are not required to be used, above the amount required by the provisions of this Indenture for such withdrawal or release;

and when used with respect to prior lien bonds shall mean prior lien bonds made the basis for the authentication and delivery of bonds, the withdrawal of Deposited Cash, or the release of funded property or the withdrawal of cash (other than cash received by the Trustee upon the release of property which was not, at the time of such release, funded property) under any of the provisions of this Indenture.

Governmental Charges.

The term "governmental charges" shall include but shall not be limited to taxes, assessments, and charges levied by special improve-