

ment districts, fire protection districts, school districts, recreation districts, water conservancy districts, sanitation districts and similar bodies.

Herein, Hereby, Hereinafter, etc.

The terms "herein", "hereby", "hereunder", "hereof", "here", "inbefore" and "hereinafter" and other equivalent words shall be held and construed to refer to this Indenture and not solely to the particular Article, Section, or subdivision hereof in which any such word is used.

Indenture.

The term "this Indenture" or its equivalent shall be deemed to include and mean, in addition to this instrument dated as of March 1, 1937, each and every instrument which the Company shall enter into with the Trustee pursuant to any requirement or permission herein contained, and which shall be stated to be supplemental to this Indenture.

Lien of This Indenture, Lien Hereof.

The terms "lien of this Indenture" and "lien hereof" shall mean the lien created by these presents (including the after-acquired property clauses hereof) and the lien created by any subsequent conveyance or delivery to or pledge with the Trustee hereunder (whether made by the Company or any other corporation or any individual or co-partnership) or otherwise created, effectively constituting any property a part of the security held by the Trustee upon the terms and conditions and subject to the covenants, conditions and uses specified in this Indenture.

Mortgaged Property, Trust Estate.

The terms "mortgaged property" or "trust estate" shall mean as of any particular time the property which at said time is subject to or intended to be subject to the lien of this Indenture.

Net Earnings Certificate, Net Earnings.

The term "net earnings certificate" shall mean a certificate signed by an accountant stating (subject to the provisions of Section 12.04):

(A) The net earnings of the Company for any period of twelve (12) consecutive calendar months within the fifteen (15) calendar months immediately preceding the first day of the month in which the application in connection with which a net earnings certificate is required under this Indenture is made, showing how the same have been calculated, and to that end specifying

(1) the aggregate of the gross operating revenues of the Company; and

(2) the aggregate of the operating expenses of such business, including therein (a) administration expenses other than those charged to capital account or surplus, (b) taxes, other than income, profits and other taxes measured by or dependent upon net income, (c) interest on indebtedness, (d) rentals, license charges and insurance, (e) expenses for current repairs and maintenance, and (f) provision for reserves for renewals, replacements, depreciation, depletion or retirement of property as accrued on the books of the Company; but excluding therefrom any expenses or provisions for interest on any indebtedness or for any sinking or similar fund for the retirement of any indebtedness or provisions for the amortization of debt discount and expense.

The "net earnings" of the Company shall be the sum obtained by deducting the amount stated in subdivision (2) of this clause (A) from the amount stated in subdivision (1) of this clause (A); provided, however, that profits or losses resulting from the sale, abandonment or other disposition of capital assets or securities, or any amortization or elimination of intangibles, shall not be taken into account in the calculation of net earnings; and

(B) the annual interest requirements upon (1) all bonds outstanding hereunder at the date of such certificate, except any bonds for the payment, retirement or redemption of which bonds then applied for are to be issued, (2) bonds then applied for in the