Cost to the Company:

The term "cost to the Company", when used with respect to any particular property additions or any particular other property, shall be deemed to include:

(a) the fair value in cash of any shares of stock or other securities issued or delivered in payment, in whole or in part, for such property additions or other property at the time of the acquisition by the Company of such property additions or other property,

(b) the amount of any cash paid by the Company therefor, or which the Company is obligated to pay therefor,

(c) the fair value, as stated in an engineer's certificate filed pursuant to § 9.03(b) of any property (other than shares of stock or other securities) transferred in payment, in whole or in part, for such property additions or other property, and

(d) with respect to any property constructed by or for the Company, such allowances or charges for interest, taxes, engineering, legal expenses, superintendence, insurance, casualties and other items during construction as the signers of a certificate of the nature required by § 5.02(a), § 10.01(b) or § 10.02 shall certify have been charged and are properly chargeable to fixed property accounts under the regulations, rules and orders, if any, with respect to such matters in force at the time of construction, of the public body or authority having jurisdiction or supervisory authority over the accounts of the Company, or, if there are no such regulations, rules or orders, are in accordance with sound accounting practice.

The "cost to the Company" of any property additions consisting of an acquired system shall be deemed to include the cost to the Company of any franchises, contracts, operating agreements or other rights or non-bondable property acquired simultaneously therewith, for which no separate or distinct consideration shall have been paid or apportioned.

Counsel:

The term "counsel" shall mean counsel, who may be of counsel to the Company, acceptable to the Trustee.

Coupons:

The term "coupon" or "coupons" shall mean any interest coupon or all the interest coupons, as the case may be, appertaining to the Bonds.

Current debt:

The term "current debt" shall mean all indebtedness for borrowed money created, guaranteed or assumed by the Company or upon which it customarily pays interest charges which is payable on demand or within less than one year after the date of its creation.

Engineer:

The term "engineer" shall mean an individual or a copartnership or a corporation engaged in engineering work or business relating to the production or transmission of petroleum products, whether or not employed by or in any way affiliated with the Company.

Engineer's certificate:

The term "engineer's certificate" shall mean a certificate signed by the President or a Vice President of the Company and by an engineer appointed by the Board and acceptable to the Trustee.

Event of default:

The term "event of default" shall mean any event of default specified in § 11.01, continued for the period of time, if any, therein designated.

Fair value:

The terms "fair value" and "fair value to the Company", when used with respect to any particular property, shall mean the fair value thereof or the fair value thereof to the Company, as the case may be, determined:

(a) in the case of property described in an independent engineer's certificate with respect to net bondable value of property additions filed with the Trustee, as of a date not more than 90 days prior to the date of the application as part of which the