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In determining cost in case in which the consideration given for property is not allocated to the various items of property acquired, the consideration may be allocated to the various parts and items of property acquired in any reasonable manner which is in accordance with the requirements of a system of accounting, which the Company is compelled to comply, or, if there be no such requirements, in any manner which the person making the certificate as to the cost of such property deems reasonable and in accordance with good accounting practice. For the purpose of making such allocation, such person may rely on and accept, if he deems it proper so to do, any action taken by the Company with respect to such allocation and any valuation and other reports available to such person with respect to the property concerned, including any certificate furnished to the Trustee relating to the property in question.

COUNSEL:

The term "counsel" shall mean counsel (who may be of counsel for the Company) appointed by the Board and acceptable to the Trustee.

COUPON:

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

ENGINEER:

The term "engineer" shall mean an individual or a partnership or a corporation engaged in the engineering business, whether or not employed by or in any way affiliated with the Company, or an individual employed by the Company who is qualified to pass upon engineering matters.

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INDEPENDENT:

The term "independent", when applied to any accountant, engineer, appraiser or other expert, shall mean such a person, who is in fact independent and, in the case of an individual, who is not a director, officer or employee of the Company or of an affiliate of the Company or of any other obligor under this Indenture or upon any of the bonds, and, in the case of a partnership or corporation, which is not an affiliate of the Company or of any other obligor under this Indenture or upon any of the bonds and which does not have a partner, director or officer who is a director, officer or employee of the Company or of any affiliate of the Company or of any such obligor, whether or not such individual, partnership or corporation is regularly retained by the Company or by any affiliate of the Company or by such other obligor.

INDEPENDENT ACCOUNTANT'S CERTIFICATE:

The term "independent accountant's certificate" shall mean a certificate or opinion signed by an independent accountant appointed by the Board and approved by the Trustee in the exercise of reasonable care.

INDEPENDENT APPRAISER'S CERTIFICATE:

The term "independent appraiser's certificate" shall mean a certificate signed by an independent appraiser appointed by the Board and approved by the Trustee in the exercise of reasonable care.

INDEPENDENT ENGINEER'S CERTIFICATE:

The term "independent engineer's certificate" shall mean a certificate signed by an independent engineer appointed by the Board and approved by the Trustee in the exercise of reasonable care.

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ENGINEER'S CERTIFICATE:

The term "engineer's certificate" shall mean a certificate signed 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 Section 9.02 of this Indenture, continued for the period of time, if any, therein designated.

FAIR VALUE TO THE COMPANY:

The term "fair value to the Company", when used with reference to any particular property, shall mean the fair value of such property to the Company as of the time such property was purchased, constructed, or otherwise acquired by the Company, which fair value may, subject to the provisions of Article XVII hereof, be determined without physical inventory or inspection by the Company in respect of such property and the application of appropriate life tables and indices of cost and other engineering methods. The fair value to the Company of any property additions shall be determined without any deduction for any prior liens upon such property. In the determination of the fair value to the Company of any property consisting of acquired plants or systems, consideration shall be given to going concern value to the Company as well as to the value of the physical property acquired.

INDEMTURE:

The term "Indenture" shall mean this instrument and all indentures supplemental hereto. All references to "herein" shall mean in this Indenture or in any indenture supplemental hereto.

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LIEN OF THIS INDEMTURE:

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 to the Trustee hereunder, or otherwise, whether made by the Company or any other person, effectively constituting any property a part of the security held by the Trustee for the benefit of all bonds outstanding hereunder.

MORTGAGED PROPERTY—TRUST ESTATE:

The terms "mortgaged property" and "trust estate" shall mean as of any particular time the property (including securities and cash held by the Trustee) which at said time is covered or intended to be covered by the lien of this Indenture, however created, but shall not include excepted property.

NET PROPERTY ADDITIONS:

The terms "net property additions" or "amount of net property additions" as of any particular date shall mean the balance or deficiency remaining after deducting the net property retirements of the Company as of such date from the cost or fair value to the Company, whichever is less, of all property additions certified to the Trustee pursuant to any of the provisions of this Indenture as of such date. Property additions which shall have been retired or which shall have been released from the lien of this Indenture without in either event having become bonded, shall be excluded in determining the amount of net property additions.

For the purpose of any certificate filed under this Indenture, the amount of "net property additions not theretofore bonded" shall be computed by deducting from the cost or fair value to the Company, whichever is less, of property additions not theretofore bonded which the Company elects to certify to the Trustee in said certificate, the amount of the