

retirement, all interest charges, amortization of stock and debt discount and expense or premium, and all operating expenses incurred in connection with the bus and ice business, (2) net non-operating losses, if any, of the properties of the Company (including the bus and ice properties), and (3) net losses, if any, of the bus and ice business.

(c) The balance remaining after the deduction of the total amount computed pursuant to Subdivision (b) from the total amount computed pursuant to Subdivision (a) shall constitute the "net earnings available for interest, depreciation and property retirement".

(d) No income received or accrued by the Company from securities or other investments in other corporations and no profits or losses from the sale or abandonment of capital assets or variation in value of securities or other investments shall be included in making such computations.

(e) In case the Company shall have acquired any acquired plant or system within or after the particular period for which the calculation of net earnings available for interest, depreciation and property retirement is made, then, in computing the net earnings available for interest, depreciation and property retirement there shall be included, to the extent that they may not have been otherwise included, the net earnings or net losses of such acquired plant or system for the whole of such period. The net earnings or net losses of such acquired plant or system for the period preceding such acquisition shall be ascertained and computed as provided in the foregoing Subdivisions of this definition as, if such acquired plant or system had been owned by the Company during the whole of such period.

(f) In case the Company shall have obtained the release of any property pursuant to Section 3 of Article

VII, of a fair value in excess of Five hundred thousand dollars as shown by the engineer's certificate required by said Section 3, or shall have obtained the release of any property pursuant to Section 5 of Article VII, the proceeds of which shall have exceeded Five hundred thousand dollars, within or after the particular period for which the calculation available for interest, depreciation and property retirement is made, then, in computing the net earnings available for interest, depreciation and property retirement, the net earnings or net losses of such property for the whole of such period shall be excluded to the extent practicable on the basis of actual earnings and expenses of such property or on the basis of such estimates of the earnings and expenses of such property as the signers of an officers' certificate filed with the Trustee pursuant to Section 3(b) of Article III or Section 16 of Article IV shall deem proper.

The terms "net earnings of property available for interest, depreciation and property retirement", and "net earnings of another corporation available for interest, depreciation and property retirement", when used with respect to any property or with respect to another corporation, shall mean the net earnings of such property or the net earnings of such other corporation, as the case may be, computed in the manner provided in this definition for the computation of net earnings available for interest, depreciation and property retirement.

The net earnings available for interest, depreciation and property retirement, whether of the Company or of some other corporation or of property, shall be determined in accordance with principles of sound accounting practice.

Non-bondable property:

The term "non-bondable property" shall mean any property other than bondable property, whether owned by the

Company on June 30, 1939, or purchased, constructed or otherwise acquired by it after June 30, 1939.

Officers' certificate:

The term "officers' certificate" shall mean a certificate signed and verified by the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company.

Opinion of counsel:

The term "opinion of counsel" shall mean an opinion or opinions in writing signed by counsel.

Outstanding:

The term "outstanding", when used with respect to Bonds, shall, except as otherwise provided in Articles IX and XV, have the meaning specified in the definition of Bonds, and, when used with respect to prior lien bonds, shall have the meaning specified in the definition of prior lien bonds, and, when used with respect to any other indebtedness of the Company or another corporation, shall have a meaning similar to the meaning of outstanding when used with respect to prior lien bonds.

Permitted liens:

The term "permitted liens" shall mean:

(a) liens upon rights-of-way for transmission or distribution line purposes, provided that the Company has, in the opinion of counsel, power under eminent domain or similar statutes to condemn or acquire easements or rights-of-way sufficient for its purposes over the land covered by the rights-of-way in question or other lands adjacent thereto;

(b) undetermined liens and charges incidental to construction, except such as may result from any obligation

of the Company for the payment of money on account of such construction;

(c) the right reserved to, or vested in, any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or by any provision of law, to purchase or reapture or to designate a purchaser of, any of the mortgaged property;

(d) the lien of taxes for the then current year;

(e) the lien of taxes and assessments not at the time due; and

(f) the lien of specified taxes and assessments already due but the validity of which is being contested at the time by the Company in good faith, unless thereby in the opinion of counsel or of the Trustee any of the mortgaged property may be lost or forfeited.

Prior lien:

The term "prior lien" shall mean a mortgage or other lien prior to the lien of this Indenture, existing at the particular time upon any of the mortgaged property, excepting judgment liens and permitted liens.

The term "funded prior lien" shall mean any prior lien under which, at the particular time, no prior lien-bonds shall be outstanding, within the meaning of the definition of outstanding prior lien bonds contained in this Article I.

The term "unfunded prior lien" shall mean any prior lien other than a funded prior lien.

Prior lien bonds:

The term "prior lien bonds" shall mean bonds, obligations or indebtedness secured by a prior lien.

The term "funded prior lien bonds" shall mean prior lien bonds secured by a funded prior lien.