

*Event of default:*

The term "*event of default*" shall mean any event of default specified in §10.01, continued for the period of time, if any, therein designated.

*Excepted property:*

The term "*excepted property*" shall mean the property excepted and excluded from the lien and operation of this Indenture as provided in the granting clauses hereof.

*Fair value:*

The term "*fair value*" or "*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 as of the following dates:

(a) In the case of property described in an 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 filing of the first Engineer's Certificate in which such property is described.

(b) In the case of property described in any other certificate filed with the Trustee, as of a date not more than 90 days prior to the date of filing of such certificate.

(c) In other cases, as of a date not more than 90 days prior to the particular time in question.

Any of the certificates described in *Subdivisions (a) and (b)* above shall be deemed to have been filed at the time when all of the documents, cash and securities, required to be filed, paid or delivered for the granting of the application in connection with which such certificate is filed, shall have been filed, paid or delivered, as required by this Indenture.

The "*fair value*" of any particular property subject to any lien shall be determined as if such property was free of such lien.

The "*fair value*" of any property additions consisting of an acquired system shall not include any amount for any franchises, contracts, operating agreements or governmental permits or non-bondable