

Company on account of Construction Costs, specifying in reasonable detail the items of such expenditures and/or obligations and that such expenditures or obligations are expenditures or obligations in respect of which the Company is entitled to be reimbursed or to have payment made by the Trustee pursuant to this § 3.08, or (ii) in the opinion of the signer, expenditures (herein called "prospective expenditures") will be required to be made by the Company on account of Construction Costs within thirty days after the date of the application in connection with which such certificate is being filed, specifying in reasonable detail the items of such prospective expenditures and the estimated amount thereof, and that such prospective expenditures are expenditures in respect of which the Company is entitled to be reimbursed pursuant to this § 3.08;

(2) that no part of such expenditures and/or obligations and/or prospective expenditures has been included in any previous or other certificate furnished under this § 3.08, or included in any computation of the amounts to be withheld by the Company pursuant to items (3), (4) or (7) of subdivision (iv) of subsection (a) of § 3.02 or item (2) of subdivision (iv) of subsection (b) of § 3.02; that no property acquired therewith has been theretofore certified to the Trustee; that no part of such expenditures has been paid out of the proceeds of any insurance; and that the aggregate of all expenditures and/or obligations and/or prospective expenditures included in such certificate and in all previous certificates furnished pursuant to this § 3.08 in respect of items (other than costs of conversion to natural gas) which have been charged or are chargeable to operating accounts of the Company does not exceed \$50,000; and

(3) that the amount remaining in the Construction Fund after granting such application (together with the estimated amount to be deposited with the Trustee upon the issue of additional Bonds of the 1976 Series, pursuant to subdivision (b) of § 3.02, if not theretofore deposited) will be sufficient to complete any of the then uncompleted portion of the Minimum Construction Program.

(c) An opinion of counsel dated within twenty days prior to the filing thereof, stating that, in the opinion of such counsel:

Board of Directors of the Company authorizing and directing the Trustee to apply such cash to one or more of such purposes as designated in such resolution. Cash in the amount required by § 4.07 on account of the Bonds to be retired shall be furnished by the Company.

All Bonds received by the Trustee pursuant to this § 3.07 (if not previously cancelled) shall be cancelled and cremated by the Trustee, and no further Bonds shall thereafter be issuable in respect thereof.

In the event that cash deposited with the Trustee pursuant to § 3.06 shall have remained on deposit with the Trustee for more than three (3) years in an amount in excess of Two Million Dollars (\$2,000,000), such cash then so on deposit with the Trustee shall be applied to the redemption or, at the option of the Company, to the purchase, as provided in § 4.04, of Bonds of such series as the Company shall designate in writing or, upon the failure of the Company for fifteen (15) days after being requested in writing by the Trustee to make such designation, then to the purchase or redemption of Bonds of such series as the Trustee shall thereupon determine.

§ 3.08. *Application of Cash in the Construction Fund.* Cash deposited with the Trustee in the Construction Fund shall be held by the Trustee as part of the trust estate and, unless a default exists, shall be paid over from time to time by the Trustee to or upon the order of the Company to reimburse the Company for expenditures made or to discharge obligations incurred by the Company on account of Construction Costs, upon receipt by the Trustee of:

(a) A certificate of the Company dated within twenty days prior to the date of the filing thereof stating that the Company is not, and by the making of the application will not be, to the knowledge of the signers, in default in the performance of any of the terms and covenants of the Indenture.

(b) A certificate of an independent engineer dated within twenty days prior to the date of the filing thereof, stating in substance:

(1) either that (i) a stated amount of expenditures has been made and/or of obligations has been incurred by the