

cate, the fair value of such second stage property additions shall be stated in such Certificate at the amount set forth in the Independent Engineer's Certificate; and in case an Appraiser's Certificate shall be required by any provision of this Indenture with respect to the fair value in cash of shares of stock or other securities issued or delivered to acquire or pay for any particular second stage property additions included in the Certificate, the cost to the Company of such gross property additions shall be the fair value of such shares of stock or other securities as stated in such Appraiser's Certificate.

In case the inclusion in the Certificate of all of the gross second stage property additions purchased, constructed, acquired or expended by the Company during the period stated in the Certificate would result in an unused second stage property additions credit of more than \$500,000 remaining after the granting of the application being made, an amount of the gross second stage property additions purchased, constructed, acquired or expended during such period sufficient to prevent such unused gross property additions credit from exceeding \$500,000 shall be omitted from the gross second stage property additions stated in said Certificate, but the gross second stage property additions so omitted may be included in any later Certificate with respect to net bondable value of second stage property additions. No second stage property additions with respect to which the Company cannot at the time furnish the Opinion of Counsel, required by *Subdivision (d)* of this §4.03, and no production expenditures as to which the Company cannot or does not furnish the Independent Engineer's Certificate relating thereto required by *Subdivision (b)* of this §4.03, shall be included in the gross second stage property additions stated, but such second stage property additions may be included in a later Certificate with respect to net bondable value of second stage property additions when the Company is able to furnish the Opinion of Counsel or Independent Engineer's Certificate, or both if required, regardless of the period covered by such later Certificate.

(iii) The excess, if any, of the bonded cost of all bondable property released from the lien of this Indenture pursuant to §8.03, §8.04 or §8.05, during the period between the date of the most recent Certificate, if any, with respect to net bondable value of second stage property additions theretofore filed with the Trustee (or in the case of the first such Certificate, a date