

(c) all overhead costs applicable to the construction period including, without limiting the generality of the foregoing, taxes, licenses, excises and assessments, surety bond premiums and insurance premiums, whether or not charged or chargeable to fixed property accounts; and interest during construction and that proportion of any discount on bonds or other securities issued to provide funds for the acquisition or construction and completion of the San Juan Project properly chargeable to the account of interest during construction in accordance with sound accounting practice;

provided, however, (i) that the amount of moneys withdrawable from the San Juan Construction Fund under this Section 6B.03 in respect of the drilling, testing, completion and/or equipping of gas or gas and oil wells (except for administrative and overhead charges applicable thereto) shall not exceed in the aggregate the sum of \$16,031,100, and (ii) that no moneys shall be withdrawable from the San Juan Construction Fund under this Section 6B.03 or otherwise in reimbursement to the Company of the cost of acquisition of any gas or gas and oil leases or rights or interests in or under gas or gas and oil leases.

Unless an event of default shall have happened and be continuing, the Corporate Trustee shall pay out of the San Juan Construction Fund from time to time to the Company, or as directed in the certificate of the Company provided for in subdivision (1) below, an amount equal to expenditures made or indebtedness incurred as aforesaid on account of the cost of acquisition or construction and completion of the San Juan Project, as certified to the Corporate Trustee, upon receipt by the Corporate Trustee of:

(1) a certificate of the Company stating in substance

(i) that a stated amount of expenditures and/or indebtedness has been made or incurred by the Company on account of the cost of acquisition or construction and completion of the San Juan Project, specifying in reasonable detail the items of such expenditures and/or indebtedness, and that such expenditures or indebtedness are of a character for which the Company is entitled to reimbursement pursuant to this Section 6B.03;