

ARTICLE IIIINSURANCE

Section 3.1. Property Damage and Business Interruptions. Grantor shall prior to or simultaneously with the expiration of the builder's risk insurance required to be maintained pursuant to Section 4.2 of the Loan Agreement and throughout the life of this Agreement, at its sole cost and expense, keep the Facilities constantly insured against (a) except to the extent such coverage is provided by the builder's risk insurance required to be maintained pursuant to Section 4.2 of the Loan Agreement, loss or damage by fire, lightning and all other risks covered by the uniform standard form of extended coverage insurance endorsement then in use in the State, upon the repair or replacement basis, in an amount equal to the full insurable value thereof with such insurance company or companies authorized to do business in the State as may be selected by Grantor and approved by Grantee, against loss or damage by war risks in an amount equal to the full insurable value thereof as and when a state of war or national emergency exists and such insurance is obtainable and generally carried by owners of similar facilities in the State, against loss or damage with respect to all boilers and pressure vessels and pressure pipes which may be installed on the Project pursuant to boiler and pressure vessels (including pressure pipes) insurance in an amount equal to \$1,000,000 (except that no such insurance need be obtained unless and until boilers, pressure vessels, or pressure pipes are installed in the Project and put into use), and against loss or damage due to floods by maintaining insurance under the National Flood Insurance Program at all times within the minimum requirements and amounts required for federally financed or assisted loans under the Flood Disaster Protection Act of 1973, as amended, if the Project is eligible under such Program, and (b) business interruptions in an amount of not less than the Maximum Annual Debt Service Amount. The term "full insurable value" shall mean 100% of the then actual cost of replacement (excluding costs of replacing excavations and foundations, but without deduction for depreciation) of the Project, and said "full insurable value" shall be determined from time to time at the request of Grantor or Grantee (but not more frequently than once in every 24 months nor less frequently than

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