

in less than substantially all of the proceeds of the Note having been expended for the acquisition, construction, reconstruction, or improvement of land or property of a character subject to the allowance for depreciation within the meaning of Section 103(b)(6)(D) of the Code;

(2) With respect to any requisition made for payment of Leased Equipment, a certificate signed by the Authorized Lessee Representative, a copy of which shall be mailed to the Authorized County Representative, certifying that such Leased Equipment either (i) has been acquired by the Lessee in anticipation of the sale of the Note and subsequent to the date of the Assistance Contract between the County and the Lessee, dated April 10, 1979, or (ii) has not yet been acquired by the Lessee and will be acquired by the use of the Note proceeds; and

(2) With respect to any such requisition for payment for work, materials, supplies, or Leased Equipment, a certificate, signed by the Authorized Lessee Representative, a copy of which shall be mailed to the Authorized County Representative, certifying that, insofar as such obligation was incurred for work, material, supplies, or Leased Equipment in connection with the acquisition, expansion, improvement, construction, or installation of the Project, such work was actually performed in a satisfactory manner and such materials, supplies, and Leased Equipment were actually used in or for such acquisition, expansion, improvement, construction, or installation or delivered to the Building or elsewhere on the Leased Land for that purpose.

SECTION 4.4      Mortgagee May Rely on Directions, Requisitions, and Certifications.      In making any such payment from the Acquisition and Construction Account, the Mortgagee may rely on such directions, requisitions, and certifications delivered to it pursuant to Section 4.3, and the Mortgagee shall not have any liability with respect to making such payments in accordance with such directions, requisitions, and certifications nor any liability with respect to the proper application hereof by the Lessee, nor any liability with respect to the accuracy of any direction, requisition, or certification or the validity of the purpose for which any direction, requisition, or certification is issued. The Mortgagee shall be liable only for its own gross negligence and willful misconduct.

SECTION 4.5      Establishment of Completion Date.      The Completion Date shall be evidenced to the Mortgagee by a certificate signed by the Authorized Lessee Representative stating that, except for amounts retained by the Mortgagee for Project costs incurred but not then due and payable as provided in Section 4.3(k), (i) expansion,

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