

ARTICLE III

COMMENCEMENT AND COMPLETION OF PROJECT BY
CORPORATION; ISSUANCE OF NOTE

SECTION 3.01. Acquisition of Project. Pursuant to the Act, the Issuer has authorized the Corporation to acquire the Project. The Project shall belong to and be the property of the Corporation.

If the Corporation elects or is required to prepay the payments required to be made by it pursuant to the provisions of Article X hereof, any sums remaining in the Construction Fund and not otherwise required to pay the Cost of the Project shall be used to effect such prepayment at the direction of an Authorized Corporation Representative.

The Corporation will maintain such records in connection with the Project as to permit ready identification thereof.

SECTION 3.02. Issuance of Note. In order to provide funds to defray the payment of the Cost of the Project, including interim financing for the Cost of the Project, the Issuer will issue, execute and deliver the Note and deposit the proceeds thereof with the Depositary.

SECTION 3.03. Disbursements from Construction Fund. So long as no Event of Default (as defined in the Agreement) has occurred and is continuing the Depositary has been authorized under Section 3.03 of the Indenture to make payments from the Construction Fund to pay the Cost of the Project upon receipt by the Depositary of requisitions (upon which both the Depositary and the Issuer shall rely and shall be protected in relying) signed by an Authorized Corporation Representative, stating with respect to each payment to be made: (i) the requisition number; (ii) the name and address of the Person to whom payment is due or the name and address, if such address is requested by the Lender, of the Person to whom payment has been made; (iii) the amount to be paid; (iv) that no obligation, item of cost or expense mentioned therein has been the basis of any previous withdrawal; (v) that the payment of such amount is a proper charge against the Construction Fund and specifying the purpose and circumstances of such obligation in reasonable detail, accompanied by a bill or statement of account for such obligation; (vi) that at least 90% of the amount, exclusive of amounts requisitioned for the payment of Neutral Costs, requisitioned from the Construction Fund, including the amount being requisitioned, has been and, when applied as stated in the requisition, will have been

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