

its normal operations at the Project (which improvements shall be deemed a part of the Project); provided, that such improvements shall be acquired by Grantor subject to no liens, security interests or encumbrances prior to the lien or security interest afforded by this Agreement, other than Permitted Encumbrances;

(c) for deposit in the Principal and Interest Account for the purpose of paying principal and interest on the Note pending the completion of the restoration or acquisition described in (a) or (b) above; provided, that no funds from the Insurance and Condemnation Proceeds Fund may be deposited into the Principal and Interest Account pursuant to this option unless Grantor has theretofore delivered to Grantee a certificate of an independent engineer or architect who is reasonably acceptable to Grantee stating that in his opinion the funds remaining in the Insurance and Condemnation Proceeds Fund following such deposit into the Principal and Interest Account will be sufficient to pay in full the cost of such restoration and/or acquisition described in (a) and (b) above.

Within ninety (90) days from the date of entry of a Final Determination in any eminent domain proceedings granting such condemnation, Grantor shall direct Grantee in writing as to which of the ways specified in this Section Grantor elects to have the condemnation award applied.

If said condemnation was one of title to part of the Project, Grantor shall, unless Grantor exercises an option to prepay the Note pursuant to Article V of the Loan Agreement, thereupon promptly rearrange the Facilities and acquire new improvements to the end that the earning power of the Project may be restored or increased and Grantor may resume its normal operations at the Project as quickly as possible. If said condemnation was one of the use of part or all of the Project, Grantor shall either proceed in the same way as specified in the preceding sentence, or shall, upon being restored to possession, if the Bonds have not then been fully paid, promptly restore the Project as nearly as may be possible to the condition existing immediately prior to such condemnation.

All plans and specifications for any construction work in connection with the acquisition or restoration required by the preceding paragraph to be performed by Grantor shall be filed with Grantee, and together with the