

ARTICLE III

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COMMENCEMENT AND COMPLETION OF THE PROJECT BY
THE CORPORATION; ISSUANCE OF THE NOTE

SECTION 3.01. Acquisition of Project. Pursuant to the Act, the Issuer authorizes the Corporation to and the Corporation agrees to acquire, or cause to be acquired by construction and purchase, the Project. The Corporation agrees to effect such acquisition in accordance with the Plans and Specifications with all reasonable dispatch; and will use its best efforts to cause such acquisition to be completed as soon as may be practicable, delays incident to strikes, riots, acts of God, the public enemy or any delay beyond the reasonable control of the Corporation only excepted; but if for any reason such acquisition is delayed or the Project shall not be completed there shall be no resulting liability on the part of the Issuer and no diminution or postponement of the amounts payable under Section 4.01 hereof by the Corporation. The Project shall belong to and be the property of the Corporation.

Anything in this Agreement to the contrary notwithstanding, the Corporation shall not be obligated to complete the acquisition of the Project upon prepayment of all amounts to be paid by it under this Agreement pursuant to the provisions of Section 10.01 hereof and the making of any such payments in the amounts required by, and in accordance with the terms of, this Agreement. If the Corporation elects or is required to prepay the payments required to be made by it pursuant to the provisions of Section 10.01 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 acquisition of the Project as to permit ready identification thereof.

SECTION 3.02. Issuance of the Note. In order to provide funds to defray the payment of 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 the Construction Fund. Prior to making the initial disbursement from the Construction Fund, the Corporation shall supply the Depositary with the following items which must in all respects be approved by the Lender:

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