

"Construction Fund" means the Construction Fund created pursuant to Section 6.01.

"Coupon" means a coupon appertaining to any Coupon Bond.

"Coupon Bond" means any Bond to which Coupons are attached.

"Designated Bonds" means the \$1,000,000 aggregate principal amount of Environmental Improvement Revenue Bonds Due 1995 (Union Carbide Corporation Project--Series 1982) authorized to be issued by the Issuer hereunder and under the Bond Resolution.

"Eligible Investments" means, to the extent permitted by law:

(i) Government Obligations;

(ii) certificates of deposit issued by, or bankers' acceptances drawn on and accepted by, commercial banks, including the Trustee, having reported deposits of not less than \$250,000,000;

(iii) obligations issued or guaranteed by any States or the District of Columbia;

(iv) repurchase agreements with banking or other financial institutions with respect to any of the investments or securities referred to in subsections (i) or (ii) above; or

(v) any other investment or security to the extent permitted by applicable law.

"Event of Default" means any of the events described as an Event of Default in Section 9.01.

"Federal Income Tax Exemption" when used with reference to interest on any Bond means that such interest is not includible for Federal income tax purposes in the gross income (as defined in Section 61 of the Code) of any Bondholder (other than a Bondholder who is a "substantial user" of the Project or a "related person," as provided in Section 103(b) (10) of the Code).

"Fully Registered Bond" means any Bond which is a registered bond without coupons.

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