

ARTICLE III

COMMENCEMENT AND COMPLETION OF PROJECT BY
CORPORATION; ISSUANCE OF NOTES

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 to be submitted to the Lenders prior to the commencement of any construction and will use its best efforts to cause such acquisition to be completed as soon as may be practicable thereafter, 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, upon prepayment of all amounts to be paid by it under this Agreement pursuant to the provisions of Article X, hereof, the Corporation shall not be obligated to complete the acquisition of the Project. 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 contained in the Construction Fund shall be used to effect such prepayment.

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 Notes. In order to provide funds to defray the payment of the Cost of the Project, the Issuer will issue, execute and deliver the Notes and deposit the proceeds thereof with the Depository.

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 Depository 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 Depository of a Requisition Certificate (upon which both the Depository and the Issuer shall rely and shall be protected in relying) signed by an Authorized Corporation Representative.