

PERMITTED ENCUMBRANCES

As used herein, the term "Permitted Encumbrances" shall mean: (a) liens for taxes and special assessments which are not then delinquent, or if then delinquent are being contested in accordance with the Agreement; (b) utility, access and other easement and rights of way, restrictions, restrictive covenants and exceptions that the Corporation certifies to the Trustee will not interfere with or impair the operation of the Facilities; (c) any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with the Agreement; (d) such minor defects, irregularities, encumbrances, easements, rights of way and clouds on title as normally exist with respect to properties similar in character to the Facilities and do not materially impair the property affected thereby for the purposes for which it was intended; (e) zoning or similar laws; (f) liens arising in connection with workmen's compensation, unemployment insurance, taxes, assessments, statutory obligations or liens, undetermined liens and charges incidental to construction or other similar charges arising in the ordinary course of operation and not overdue or, if overdue, being contested in a permitted contest and such other liens and charges at the time required by law as a condition precedent to the exercise of any privileges or licenses necessary to the Corporation; (g) the Indenture, the Agreement and the Mortgage and any supplements thereto; (h) rights of lessees under agreements with the Corporation as permitted by the Agreement; (i) purchase money mortgages or purchase money security interests or any title retention interest retained by vendors or lessors in connection with the sale or leasing of equipment or fixtures to the Corporation to the extent permitted under the Agreement; (j) the lien and security interest of the Bank under the Reimbursement Agreement (as defined in the Agreement); (k) while the Letter of Credit (as defined in the Agreement) is outstanding, any liens, charges and encumbrances of whatever kind permitted in writing by the Bank; (l) upon the expiration or termination of the Letter of Credit, any liens, charges or encumbrances of whatever kind permitted in writing by 100% of the bondholders (as defined in the Agreement); and (m) liens, charges and encumbrances of whatever kind in existence on the date of delivery of the Bonds as more fully described below:

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