

rights and privileges with or without consideration (but any such consideration only to be in the form of cash or, if not in cash, and if the Bonds are then outstanding, accompanied by an Opinion of Bond Counsel (as defined in the Loan Agreement and the Indenture) that the exemption from Federal income taxation of interest on the Bonds will not be impaired by such receipt), and the Bank agrees that it shall (but only at the expense of the Corporation) execute and deliver or cause to be executed and delivered any instrument necessary or appropriate to confirm, grant or release any such easement, license, right of way or other grant or privilege upon receipt of: (1) a copy of the instrument of grant or release; (2) a written application signed by the President or Vice President requesting such instrument and stating that such grant or release will not impair the effective use or interfere with the operation of the Facilities; and (3) an opinion of counsel satisfactory to the Bank and its counsel that such grant or release will not materially impair the security afforded pursuant to this Mortgage, and will not violate the terms of any agreement to which the Corporation is a party with respect to the Facilities.

ARTICLE III
TAXES AND INSURANCE

Section 3.1 Taxes, Permits and Other Charges. The Corporation will pay during the term of this Mortgage, as the same respectively become due, the taxes, charges and assessments with respect to the Facilities and the operation thereof in accordance with the requirements of Section 6.6 of the Reimbursement Agreement.

Section 3.2 Provisions Respecting Insurance. The Corporation shall maintain insurance with respect to the Facilities and the operation thereof in the manner and amounts specified in Section 6.8 of the Reimbursement Agreement.

ARTICLE IV
DAMAGE, DESTRUCTION AND CONDEMNATION

Section 4.1 Damage, Destruction and Condemnation of Facilities. Subject to the prior rights of the Issuer and the Trustee under the Bond Mortgage and under the Loan Agreement of even date herewith between the Issuer and the Corporation, if all or any part of the Facilities are destroyed or damaged or title to the Facilities or any part thereof fails or is taken under the exercise of, or acquired under the threat of the exercise of, the power of eminent domain:

(a) The Corporation shall proceed promptly, subject to the provisions of subsection (b), to replace, repair, rebuild and restore the Facilities to substantially the same condition as existed before the taking or acquisition or loss or event causing the damage or destruction, with such alterations (including substitution or addition of other property) as may be