

as any part of the indebtedness represented by the Bonds remains unpaid and during the Qualified Project Period. As determined under Code Section 1.103-8(b)(7).

(b) Early Termination. Notwithstanding any other provision hereof, this Agreement and Declaration shall automatically terminate in the event of foreclosure or transfer of title by deed in lieu of foreclosure. In addition, the requirements of these Covenants shall cease to apply to the project in the event of involuntary noncompliance caused by fire, seizure, requisition, change in a Federal law or an action of a Federal agency after the date of issue which prevents the Authority from enforcing the Treasury Regulations or these Covenants, or condemnation or similar event but only if the proceeds, if any, resulting from such events are used to retire the Bonds or provide a substitute project that meets the requirements of Section 103(b)(4)(A) of the Code. The termination provision of the first sentence of this Section 10(b) shall cease to apply in the event of foreclosing transfer of title by deed in lieu of foreclosure, or similar event, if, at any time during that part of the Qualified Project Period subsequent to such event, the obligor on the acquired purpose obligation (as defined in Regulations Section 1.103-13(b)(4)(iv)(a)) or a related person (as defined in Section 1.103-10(e)) obtains an ownership interest in the Project for tax purposes.

(c) Modification or Release. Upon payment in full of the Bonds and upon expiration of the Qualified Project Period, the Authority shall execute an instrument in recordable form to such effect, as evidence of termination of this Agreement under Section 10(a) above. Otherwise, these Covenants may only be modified, amended, altered or released by an instrument in writing executed by the Authority.

Section 11. Special Tax Covenants. The Developer and the Authority, subject to the provisions of the Loan Agreement, each hereby represents, warrants and agrees that to the best of its ability:

(a) it will not take or permit, or omit to take or cause to be taken, as is appropriate, any action that would adversely affect the exemption from federal income taxation of the interest on the Bonds and, if it should take or permit, or omit to take or cause to be taken, any such action, it will take all lawful actions necessary to rescind or correct such actions or omission promptly upon obtaining knowledge thereof;

(b) it will take such action or actions as may be necessary, in the written opinion of Bond Counsel filed with the Developer, the Authority