

ARTICLE X

EVENTS OF DEFAULT AND REMEDIES

SECTION 10.1 Events of Default Defined. The following shall be "events of default" under this Agreement and the terms "event of default" or "default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

(a) Failure by the Lessee to pay the rents required to be paid under Section 5.3 of this Agreement at the times specified therein and continuing for a period of five days after notice by telegram, or if telegraphic service is not available then after notice by mail given to the Lessee and the Guarantor by either the Trustee or the County that the payment referred to in such notice has not been received.

(b) Failure of the Lessee to fulfill its obligation to purchase the Project as provided in Section 12.2(1) hereof.

(c) Failure by the Lessee or the Guarantor to observe and perform any covenant, condition or agreement in this Agreement (other than as referred to in subsections (a) and (b) of this Section) on the part of the Lessee to be observed or performed, or in the Guaranty Agreement on the part of the Guarantor to be observed or performed, for a period of sixty days after written notice, specifying such failure and requesting that it be remedied, given to the Lessee and the Guarantor by the County or the Trustee, unless the County and the Trustee shall agree in writing to an extension of such time prior to its expiration (or in the case of any such default, other than Guarantor's failure to comply with the financial covenants set forth in the Guaranty Agreement, which cannot with due diligence be cured within such 60-day period, if Lessee or Guarantor shall fail to proceed promptly to cure the same and thereafter prosecute the curing of such default with due diligence, it being intended in connection with such a default not susceptible of being cured with due diligence within the 60 days that the time within which to cure the same shall be extended for such period as may be necessary to complete the curing of the same with all due diligence.

(d) The dissolution or liquidation of the Lessee or Guarantor or the filing by the Lessee or the Guarantor of a voluntary petition in bankruptcy, or failure by the Lessee

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