

shall provide Mortgagee on the occasion as of which interest on the Note becomes (or is determined by the Internal Revenue Service to be) taxable, with the relief prescribed in Sections 12.2 and 12.4 hereof, without regard to the final outcome of any such dispute, and such determination by the Internal Revenue Service shall be conclusive for the purposes of Section 12.2 even though it might be thereafter determined by Court order, ruling or otherwise that interest on the Note was, in fact, not subject to Federal Income Taxes.

SECTION 12.4. COMPUTATION OF ADDITIONAL RENT. In the event the Lessee is required to purchase the Project by virtue of the provisions of 12.2, Lessee shall pay as additional rent a prepayment premium at the rate of 3½% per annum on the principal balances of the Note from time to time outstanding from the date as of which interest on the Note becomes (or is determined by the Internal Revenue Service to be) taxable to the date of prepayment.

The said prepayment premium shall be computed as aforesaid annually as of each February 1 after the date as of which interest on the Note becomes taxable; and such computations shall be on the basis of (a) the principal balances outstanding on each such February 1 without any reduction on account of the principal payments which become due on such February 1; and (b) the principal balance prepaid on the date such interest becomes taxable, payable prorated from the date of the last principal payment to the date of prepayment and purchase. As an example of the meaning of the foregoing assume that on April 1, 1975 it is determined by the Internal Revenue Service that interest on the Note became taxable as a result of a violation of the capital expenditures limitation

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