

ARTICLE VII

SPECIAL COVENANTS

SECTION 7.01. No Warranty of Design, Condition or Suitability by Issuer. The Issuer makes no warranty, either express or implied, as to the design, capabilities or condition of the Project or that it will be suitable for the Corporation's purposes or needs.

SECTION 7.02. Maintenance of Corporate Existence. The Corporation agrees that as long as the Note is outstanding it will maintain its corporate existence and shall not merge or consolidate with any other corporation and shall not transfer or convey all of its property, assets and licenses, or any substantial portion thereof; provided, however, the Corporation may, without violating any provisions of the Agreement, consolidate with or merge into another domestic corporation (i.e., a corporation incorporated and existing under the laws of one of the states of the United States of America or the District of Columbia) or permit one or more domestic corporations to consolidate with or merge into it, or transfer all or substantially all of its assets to another domestic corporation, but only on the conditions that (i) the assignee corporation or the corporation resulting from or surviving such merger (if other than the Corporation) or consolidation or the corporation to which such transfer is made shall expressly assume in writing, in form and substance acceptable to the Lender, and agree to pay and to perform all of the Corporation's obligations under this Agreement, (ii) in connection with any such consolidation, merger or transfer there shall be filed with the Lender a letter from the chief financial officer of the Corporation certifying that immediately after the consummation of such consolidation, merger or transfer the corporation resulting from or surviving such consolidation or merger or the corporation to which such transfer is made (if other than the Corporation) will have an aggregate stockholders' equity at least equal to ninety percent (90%) of the aggregate stockholders' equity which the Corporation would have had if such consolidation, merger or transfer had not occurred, and (iii) in connection with any such consolidation, merger or transfer there shall be filed with the Lender a certificate from the President or any Vice President and the Secretary or Treasurer of the surviving corporation to the effect that immediately after such consolidation, merger or transfer no Event of Default exists under the terms of this Agreement.

If the Corporation is the surviving corporation in such a merger, the documents referred to in items (i), (ii), and (iii) above shall not be required.