

P. The release or discharge of the City, to the extent permitted by law, from performance or observance of any obligation, covenant or agreement contained in this Guaranty Agreement, by operation of law;

Q. The default or failure of the City fully to perform any of its obligations set forth in this Guaranty Agreement; or

R. The damage to or partial or total destruction of the Hotel Project or the taking of title to or the temporary or permanent use of the Hotel Project by any lawful body or authority; or

S. The failure to receive or recover lease payments with respect to the Hotel Project, or the insufficiency of any lease payments received or recovered; or

T. Termination, default under, or unenforceability of, any lease of the Hotel Project.

SECTION 3.09. Obligations of the City hereunder shall not be affected by any bankruptcy, arrangement for the benefit of creditors, reorganization or other similar proceedings; and the City specifically waives any rights or benefits that could accrue to it by reason of any such proceeding and agrees that the same shall not affect its liability or responsibility hereunder, regardless of the effect that such proceedings may have with respect to the obligations of the Authority or of any lessee of the Hotel Project.

SECTION 3.10. Obligations of the City hereunder shall not be subject to any setoff, counterclaim or defense resulting from any breach or any alleged breach by the Authority, by