

and all existing personal property hereby mortgaged or made subject to the security interest hereby created is free and clear of all liens, security interests, charges, and encumbrances whatsoever, except for (a) any lessor's security interest, (b) the lien for property taxes not yet due and payable, (c) the lien arising pursuant to that certain mortgage dated the date hereof from Mortgagor in favor of Manufacturers Hanover Leasing Corporation ("MHLC"), (d) the security interests arising pursuant to that certain security agreement and assignment dated the date hereof from Mortgagor in favor of MHLC, and (e) those permitted encumbrances, if any, described in Exhibit C attached hereto and incorporated herein by reference. Mortgagor shall and will make such further assurances to perfect Mortgagee's fee simple title to the Land and the other real property hereby mortgaged as to which Mortgagor has warranted fee simple title, and Mortgagee's leasehold estate in the Leasehold and other real property hereby mortgaged to which Mortgagor has warranted leasehold title, and Mortgagee's title to the personal property hereby mortgaged or made subject to the security interest hereby created, as may reasonably be required. Mortgagor fully warrants the title to the Land, other real property, and all existing personal property hereby mortgaged or made subject to the security interest hereby created and every part thereof, and will forever defend the same against the claims of all persons whomsoever.

1.03 Zoning and Environmental Laws. Mortgagor covenants and warrants that all applicable zoning laws, ordinances, and regulations affecting the Land or the Leasehold or both permit the use and occupancy of the Improvements and the improvements constituting part of the Leasehold.

1.04 Taxes and Liens.

(a) Mortgagor shall pay or bond promptly, when and as due, and shall promptly exhibit to Mortgagee receipts for the payment of (i) all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations, and encumbrances of every kind whatsoever now or hereafter imposed, levied, or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or the indebtedness or other sums secured hereby, or upon or against the interest of Mortgagee in the Mortgaged Property, (ii) all payments with respect to employee benefit plans, income taxes, assessments, and other governmental charges levied and imposed by the United States of America or any State, county, municipality, borough, or other taxing authority upon or against Mortgagor or in respect of the Mortgaged Property or any part thereof, and