

ARTICLE III

DEMISING CLAUSES

SECTION 3.1. Demise of the Project. The County demises and leases to the Lessee and the Lessee leases from the County, the Project at the rental set forth in Section 5.3 hereof, and in accordance with the provisions of this Agreement.

SECTION 3.2. Title Opinion. The Lessee will furnish, at the time of the delivery of the Series 1980 Note, a written opinion of Independent Counsel acceptable to the Mortgagee and to the Authorized Lessee Representative that the County has good and marketable fee simple title to the Leased Land, subject only to Permitted Encumbrances.

SECTION 3.3. Title Insurance. At the time of the delivery of the Series 1980 Note, the Lessee will provide a Mortgagee Title Insurance Policy (or an appropriate Binder) in the amount of \$1,000,000 upon the Project issued by a Company approved by the Mortgagee insuring the sufficiency of the Mortgage upon the Project, subject to no encumbrances other than Permitted Encumbrances, in the amount of not less than the value of the Land and the Building. In no event shall such Policy or Binder except from coverage thereof (i) any lien, or right to a lien, for services, labor, or material furnished on or to the Project, regardless of whether such lien is then of record, or (ii) all

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