

10. That the Mortgagor has good and marketable fee simple title to all Mortgaged Property including all Personal Property, free and clear of all liens, encumbrances, charges and other exception to title except for taxes not due and payable and except for encumbrances set forth in Exhibit D to the Term Loan Agreement;

That it has and will have full power and lawful authority to mortgage the Mortgaged Property to the Mortgagee in the manner and form herein done or intened;

That it is in peaceable possession of the Mortgaged Property;

That it will preserve its title to the Mortgaged Property and will forever warrant and defend the same to the Mortgagee against the claims of all persons;

That this Mortgage constitutes a valid first and prior lien on the Mortgaged Property;

11. That all awards of damages in connection with any condemnation for public use of or injury to any of said Mortgaged Property shall be paid to the Mortgagee to be applied to the amounts due in accordance with the Note in amounts equal to the installment or installments of principal due in inverse order of maturity. No amount applied to the reduction of the principal amount due in accordance with such award of damages shall be considered an optional prepayment as the term is used in this Mortgage and the Note secured hereby, nor relieve the Mortgagor from making regular monthly payments commencing on the first month following the date of receipt of the award. The holder of the Note is hereby authorized in the name of the Mortgagor to

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