

and observe all the covenants and promises in the Loan Agreement, and any renewal, extension or modification thereof, and in this Mortgage and in all other instruments securing the Bonds, to be kept, performed or observed by Mortgagor, then this Mortgage, and all the properties, interest and rights hereby granted, conveyed and assigned shall cease and be void, but shall otherwise remain in full force and effect.

Mortgagor covenants and agrees with Mortgagee as follows:

ARTICLE ONE

COVENANTS OF MORTGAGOR

1.01 Performance of Bonds, Mortgage, etc. Mortgagor shall perform, observe and comply with all provisions hereof, of the Bonds (insofar as its compliance is required) and of every other instrument securing the Bonds, and will promptly pay to Mortgagee the principal with interest thereon and all other sums required to be paid by Mortgagor under the Bonds and pursuant to the provisions of this Mortgage and of every other instrument securing the Bonds when payment shall become due, all without deduction or credit for taxes or other similar charges paid by Mortgagor.

1.02 Performance of Loan Agreement. Mortgagor shall perform, observe and comply with all provisions of the Loan Agreement.

1.03 Warranty of Title. Mortgagor covenants and warrants that it is seized of an indefeasible estate in fee simple in the Land and real property hereby mortgaged, has good and absolute title to all existing personal property hereby mortgaged or made subject to the security interest hereby created and has good right, full power and lawful authority to convey, mortgage and encumber the same as provided herein; that Mortgagee may at all times peaceably and quietly enter upon, hold, occupy and enjoy the Land and real property hereby mortgaged and every part thereof; that the Land, real property 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, the lien for property taxes not yet due and payable and except for Permitted Encumbrances as defined in the Loan Agreement. Mortgagor shall and will make such further assurances to perfect Mortgagee's fee simple title to the Land and the real property hereby mortgaged, and the 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, 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.

1.04 Zoning and Environmental Laws. Mortgagor covenants and warrants that all applicable zoning laws, ordinances and regulations affecting the Land permit the use and occupancy of the Improvements and further covenants and warrants to comply with all environmental and ecological laws, ordinances and regulations affecting the Mortgaged Property in all material respects.

B
O
O
K

4328-RV-2