

a good and marketable fee simple title to the Leased Land and Facilities, free from all encumbrances other than Permitted Encumbrances.

Section 3.03. Title Insurance. At the time of the delivery of the Bonds, the Lessee will provide a Mortgage Title Insurance Policy (or an appropriate Binder) upon the Leased Land and Facilities issued by a company approved by the Trustee insuring the lien of the Indenture upon the Leased Land and Facilities, subject to no encumbrances other than Permitted Encumbrances, in the amount of not less than \$1,100,000 Any net proceeds therefrom shall be used to remedy the title defect resulting in the payment thereof or deposited in the Bond Redemption Account established under the Indenture.

Section 3.04. Primary Use. Lessee is granted and shall have the right during the term of this Lease to occupy and use the Leased Premises as a "Project" (as defined in the Act) for any purpose authorized under and pursuant to the provisions of the Act. The Lessor agrees that it will use all reasonable efforts to insure that such uses are and will continue to be lawful uses under all applicable zoning laws and regulations.

Section 3.05. Compliance with Laws. Lessee will throughout the term of this Lease and, at no expense to Lessor promptly comply or cause compliance with all laws ordinances, orders, rules, regulations and requirements of duly constituted public authorities, which may be obligatory upon the Lessee or the Lessor and applicable to the Leased Premises, the repair and alteration thereof (including, without limitation, the Facilities and the streets, sidewalks and passageways adjoining the Leased Premises) and the use or manner or use of the Leased Premises, whether or not such laws, ordinances, orders, rules, regulations and requirements are foreseen or unforeseen, ordinary or extraordinary, and whether or not they shall involve any change of governmental policy or shall require structural or extraordinary repairs, alterations or additions, irrespective of the cost thereof, provided, however, that if no Bonds (as defined in Section 1.02) of the Lessor are outstanding, Lessee, in lieu of compliance with such laws, orders, rules, regulations and requirements, or the making of such additions, changes or alterations, may elect to terminate this Lease or to purchase the Leased Premises, and in either such event, shall have no further liability hereunder. With regard to Lessor. Lessee accepts the Leased Premises in their condition on the date of the commencement of the term of this Lease, and assumes all risks, if any, resulting from any present or future, latent or patent defects therein or from the failure of the Leased Premises to comply with all legal requirements applicable thereto, reserving however, any and all rights of Lessee with respect to parties other than the Lessor.

Section 3.06. Permitted Contests. Lessee shall not be required to comply or cause compliance with such laws, ordinances, orders, rules, regulations or requirements, so long as Lessee shall, after prior written notice to Lessor, at Lessee's expense, contest the same or the validity thereof in good faith, by appropriate proceedings. Such contest may be made by Lessee in the name of Lessor or of Lessee, or both, as Lessee shall determine, and Lessor agrees that it will, at Lessee's expense, cooperate