

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 County will furnish, at the time of the delivery of the Notes, a written opinion of Independent Counsel acceptable to the Mortgagees 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 Notes, the County will provide a Mortgagee Title Insurance Policy (or an appropriate binder) upon the Project issued by a company approved by the Mortgagee insuring the lien of the Mortgage upon the Leased Land and Building, subject to no encumbrances other than Permitted Encumbrances, in the amount of \$2,100,000. Any Net Proceeds therefrom shall be applied to the prepayment of the Notes in accordance with their terms and the terms of the Note Ordinance.

0392

4328 RV-23