

interests are free and clear of all liens, encumbrances, charges and defects, except Permitted Exceptions described in Paragraph 2 of this Mortgage and (b) that all indebtedness secured hereby is made solely to acquire or carry on a business or commercial enterprise.

2. Permitted Exceptions under this Mortgage are as follows:

- (i) the right reserved to or vested in any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or provision of law, to terminate any right, power, franchise, grant, license or permit or to repeal, amend or modify any provision of law;
- (ii) the right reserved to or vested in any municipality or public authority to condemn or appropriate the Property or any part thereof;
- (iii) the right reserved to or vested in any municipality or public authority to control or regulate the Property or to use the Property in any manner which does not materially impair the use thereof for the purposes for which the Property is held by the Mortgagor or materially affect its value;
- (iv) liens for taxes and other governmental charges which are not at the time due and payable, or the validity or amount of which is being contested;
- (v) the existing state of title, including without limitation those Permitted Exceptions described in Schedule A hereto;
- (vi) the Lease; and
- (vii) the lien of this Mortgage and any rights granted as provided herein.

3. Mortgagor warrants that it has full power and lawful authority to mortgage, grant, bargain, sell, convey and release

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