

Industry is the lawful owner of and has good right and lawful authority to grant, bargain, sell, convey, warrant, mortgage, assign and pledge the Mortgaged Property as provided herein; that the Industry is and will continue to be well and truly seized of good and marketable title to the Mortgaged Property; that the Mortgaged Property is free and clear of all mortgages, liens, pledges, charges and encumbrances, excepting only Permitted Encumbrances; and the Industry warrants and will defend the title to the Mortgaged Property against all claims and demands whatsoever not specifically excepted herein. "Permitted Encumbrances" shall mean (i) purchase money security interests for items the purchase price of which is not yet due and payable or which is being contested as provided in Section 3 hereof, (ii) liens for ad valorem taxes not then delinquent, or being contested as provided in Section 5 hereof, (iii) this Mortgage, (iv) utility, access and other easements and rights-of-way, flood rights, encroachments, leases, restrictions and exeptions that an Authorized Industry Representative certifies will not interfere with or impair the operations being conducted in the Buildings (or if the Buildings are not yet complete, the operations to be conducted in the Buildings or, if the Buildings have been completed and no operations are being conducted therein, the operations for which the Buildings were last designed or last modified), (v) such minor defects, irregularities, encumbrances, and clouds on title as normally exist with