

recordation, constitutes a first mortgage lien upon the real property on which the Project will be located subject only to Permitted Encumbrances and a first lien on Revenues of the Issuer. The Issuer will not create, permit to be created or suffer to exist any encumbrance upon the Project or any portion thereof, other than Permitted Encumbrances, and will promptly discharge any encumbrance other than Permitted Encumbrances which may be found to exist. The Issuer covenants that it will defend its title to the Project and any portion thereof and defend the mortgage and security interest created by this Trust Indenture against all claims or demands of any person whomsoever.

ARTICLE IX

DEFAULT AND REMEDIES

Section 9.1 Events of Default. Each of the following events is hereby declared an "Event of Default":

- (a) Failure to pay the principal of the Bond as and when the same shall become due and payable, either at its stated maturity or by redemption;
- (b) Failure to pay any installment of interest due on the Bond as and when the same becomes due or payable;
- (c) The occurrence of any event which renders the Board of Trustees, for any reason, incapable of fulfilling its obligations hereunder;
- (d) The entry of an order or decree with the consent or acquiescence of the Board of Trustees, appointing