

3.4 Negative Covenants. Mortgagor shall not, without prior permission in writing from Mortgagee:

(a) Sell or abandon any Equipment except in the ordinary course of business.

(b) convey, transfer, lease or encumber any of the Mortgaged Property, or any interest thereon or any right to manage any of the Premises or any right to receive any rents, profits, proceeds or any insurance proceeds thereof.

(c) remodel, add to, reconstruct, improve or demolish any of the Premises, other than in accordance with the Plans and Specifications contemplated in the Loan Agreement.

(d) purchase or acquire any materials, supplies, fixtures or equipment in connection with the construction of the Improvements under any lease or conditional sale or other title retention or security agreement.

(e) incur any indebtedness with respect to the construction of the Improvements or secured by any of the Mortgaged Property except the Secured Indebtedness.

(f) create or suffer to be created any lien, encumbrance, easement, use or charge affecting any of the Mortgaged Property, except a lien which is covered by a bond in accordance with Paragraph (h) of Section 3.3, or easements provided for in the Plans and Specifications.

(g) modify or amend its Articles of Organization.

3.5 Negative Covenants Applicable to Mortgagor and the General Partners of Mortgagor. Neither Mortgagor nor any general partner of Mortgagor shall, without the prior permission in writing of Mortgagee:

(a) liquidate, terminate, consolidate, merge or dissolve;

(b) transfer its interest in Mortgagor, or withdraw as a general partner of Mortgagor; or

(c) admit a new general partner.

3.6 Interest on Obligations Arising Hereunder. Every obligation of Mortgagor under the terms of this instrument to pay any sum to Mortgagee shall bear interest, in the case of any payment due to Mortgagee hereunder other than as a reimbursement, from the date when demand for such payment is made; and in the case of any reimbursement due Mortgagee for any cost, expense or other payment to a third party, from the date payment is made to such third party by Mortgagee; until paid. The rate of interest in either case shall be the rate at which the Note bears interest after maturity.

3.7 Subrogation. With respect to any liability of Mortgagor hereunder to reimburse Mortgagee for any amount paid by Mortgagee to any third party pursuant to any authorization herein or otherwise for the protection of Mortgagee or of the security afforded by this instrument, Mortgagee shall, without prejudice to any remedy otherwise provided herein, be subrogated to any rights or remedies of such third party against Mortgagor with respect to the amount so paid.

ARTICLE IV - Default

4.1 Events of Default. The occurrence of any of the following shall constitute an Event of Default hereunder.

(a) If Mortgagor fails to pay any amount of the Secured Indebtedness, including principal, interest, costs, reimbursements and any other item of the Secured Indebtedness when the same

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