

ARTICLE ONECOVENANTS OF MORTGAGOR

1.01 Performance of Note, Mortgage, etc.
Mortgagor shall perform, observe, and comply with all provisions hereof, of the Note, and of every other instrument securing the Note, and shall promptly pay to Mortgagee the principal with interest thereon and all other sums required to be paid by Mortgagor under the Note and pursuant to the provisions of this Mortgage and of every other instrument securing the Note when payment shall become due, all without deduction, offset or credit.

1.02 Performance of Loan Agreement. Mortgagor shall pay, perform, observe, and comply with all obligations, liabilities, conditions and covenants of the Loan Agreement, which is incorporated herein by reference, and the Loan Documents, which are incorporated herein by reference.

1.03 Warranty of Title. Mortgagor covenants and warrants that it is seized of (a) an indefeasible estate in fee simple in the Land and the Improvements and the real property described in paragraph (D) of the above description of the Mortgaged Property (to the extent the same is related to the Land and the Improvements) and (b) a valid and enforceable leasehold estate in the Leasehold and the real property described in paragraph (D) of the above description of the Mortgaged Property (to the extent the same is related to the Leasehold) and has good right, full power and lawful authority to convey, mortgage, and encumber the same as provided herein; that Mortgagee may at all times peaceably and quietly enter upon, hold, occupy, and enjoy the Land and other real property hereby mortgaged and every part thereof; that the Land and other real property is free and clear of all liens, security interests, charges, and encumbrances whatsoever, except for any lessor's security interest, the lien for property taxes not yet due and payable, and those permitted encumbrances described on Exhibit C attached hereto and incorporated herein by reference. Mortgagor shall and will make such further assurances to perfect Mortgagee's fee simple title