

ARTICLE IV

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PROVISIONS RELATING TO  
MORTGAGE AND SECURITY AGREEMENT

SECTION 4.01. Warranty; Identification of Mortgaged Property. (a) The Corporation warrants to the Lender that the Corporation has good and marketable fee simple title to the land described in Exhibit A hereto subject only to Permitted Encumbrances. This Agreement constitutes a valid mortgage lien upon and security interest in the Mortgaged Property subject only to Permitted Encumbrances. The Corporation will not create, permit to be created or suffer to exist any encumbrance upon the Mortgaged Property 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 Corporation covenants that it will defend its title to the Mortgaged Property and any portion thereof and defend the mortgage and security interest created by this Agreement against all claims or demands of any person whomsoever claiming or to claim the same.

(b) The Corporation agrees to maintain such records with respect to the Mortgaged Property as will permit the ready identification thereof. The Corporation shall furnish the Lender with such reasonable information with respect to the Mortgaged Property promptly upon request by the Lender and shall supply the Lender with a copy of the records maintained by it hereunder upon request.

SECTION 4.02. Title Insurance. The Corporation agrees to obtain title insurance for the benefit of the Lender, in the amount of \$650,000, which includes the principal amount of the Note, covering all that portion of the Plant which would pass without enumeration thereof with title to the land included therein. Said title insurance shall insure the priority of the mortgage and security interest created by this Agreement subject only to Permitted Encumbrances and any requirement with respect to refileing of financing statements under the Uniform Commercial Code. The proceeds of such title insurance shall be used to prepay amounts due under the Note, the Industrial Revenue Note or to remedy the defect in title giving rise thereto as directed by the Lender.

SECTION 4.03. Removal of Personalty. If no Default under this Agreement shall have happened and be continuing, in any instance where the Corporation in its discretion determines that any item described in Exhibit B has become inadequate, obsolete, worn out, unsuitable,

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