

fully and faithfully will perform, discharge, observe and comply with each and every of Mortgagor's Obligations.

(ii) Mortgagor now has and hereafter shall maintain the standing, right, power and lawful authority to own the Mortgaged Property, to carry on the business of and operate the Mortgaged Property, to enter into, execute and deliver this Mortgage, the Note and the Other Agreements to Mortgagee, to encumber the Mortgaged Property to Mortgagee as provided herein or in the Other Agreements and to perform all of Mortgagor's Obligations and to consummate all of the transactions described in or contemplated by this Mortgage, the Note and the Other Agreements.

(iii) The execution, delivery and performance by Mortgagor of and under this Mortgage, the Note and the Other Agreements does not and will not constitute a violation of any applicable law and does not and will not conflict with or result in a default or breach of or under or an acceleration of any obligation arising, existing or created by or under any agreement, instrument, document, mortgage, deed, trust deed, trust agreement, note, judgment, order, award, decree or other restriction to which Mortgagor or any of the Mortgaged Property is or hereafter shall become a party or by which Mortgagor or any of the Mortgaged Property is or hereafter shall become bound or any law or regulatory provision now or hereafter affecting Mortgagor or any of the Mortgaged Property.

(iv) The various financial and operating statements relating to the Mortgaged Property and the operation and business thereof heretofore and from time to time hereafter delivered by or for Mortgagor to Mortgagee pursuant to Paragraph 3.3(vi) below, are and shall be correct, complete and accurate in all respects, fairly present the financial conditions represented as of the dates and for the periods indicated and have been and shall be prepared on a modified cash basis, unless otherwise specifically indicated.

(v) The various other data and information relating to the Mortgaged Property and the operation and business thereof heretofore and from time to time hereafter delivered by or for Mortgagor to Mortgagee are and shall be true, correct, complete and accurate in all respects.

(vi) Mortgagor has duly filed and shall continue timely to file all federal, state and other governmental tax and similar returns which Mortgagor is required by law to file with respect to the Mortgaged Property and the operation and business thereof. All taxes and other sums which are shown to be payable under such returns have been and shall be timely and fully paid and Mortgagor shall maintain adequate reserves in amount to fully pay all such liabilities which hereafter may accrue.

(vii) All of the Licenses necessary for the operation of the Mortgaged Property are and shall at all times remain in full force and effect; and, to the best of Mortgagor's knowledge, all of the Leases are and shall remain genuine, in all respects what they purport to be, free of set-offs, counterclaims or disputes and valid and enforceable in accordance with their terms. The lessor and (to the best of Mortgagor's knowledge) the lessee under the Leases have and shall have the capacity to contract thereunder. Except for security deposits provided for under the Leases, and revealed by Mortgagor to Mortgagee in writing, no advance payments have been or shall be made thereunder.

(viii) To the best of Mortgagor's knowledge, there is no litigation, action, claim or proceeding pending or threatened which might, in any way, manner or respect, materially and adversely

1636-219

1636-219