

affect the Mortgaged Property, the operation or the business thereof, Mortgagee's lien thereon, the collectibility of the Note, the ability of Mortgagor to repay the Note or the financial condition of the Mortgaged Property or the operation or business thereof, except as previously disclosed to Mortgagee.

(ix) The Mortgaged Property now consists of and is in the same condition, ordinary wear and tear excepted, as it was when Mortgagee last inspected it and, ordinary wear and tear expected, it shall consist of and remain in such condition until the payment, in full, of Mortgagor's Liabilities.

(x) Mortgagor and the Mortgaged Property possess and hold and shall maintain adequate properties, interests in properties, leases, licenses, franchises, rights and governmental and other permits, certificates, consents and approvals to conduct and operate the business of the Mortgaged Property. None of the foregoing contain or shall contain any term or condition that is materially burdensome to said business or different than those of the foregoing possessed or held by other parties conducting or operating a similar business.

(xi) As of the date of this Mortgage, there does not exist any default, or event of default or breach of or under any agreement, instrument or document for borrowed money by which Mortgagor or the Mortgaged Property is bound or obligated.

(xii) The location, existence, use and condition of the Premises and the Equipment are and shall remain in compliance with all applicable laws, rules, ordinances and regulations, including, but not limited to, building and zoning laws, and all covenants and restrictions of record.

(xiii) Mortgagor is and shall remain in peaceful possession of and will forever warrant and defend the Mortgaged Property from and against any and all claims thereon or thereto of any and all parties.

(xiv) Mortgagor shall save and hold Mortgagee harmless of and from any and all damage, loss, cost and expense, including, but not limited to, reasonable attorneys' and paralegals' fees, costs and expenses, incurred by reason of or arising from or on account of or in connection with any suit or proceeding, threatened, filed and/or pending, in or to which Mortgagee is or may become or may have to become a party by reason of or arising from or on account of or in connection with Mortgagor's Liabilities, this Mortgage, the Note or the Other Agreements.

(xv) Concurrently with the delivery of this Mortgage to Mortgagee and annually thereafter by April 1st of each year, Mortgagor shall deliver to Mortgagee a termite inspection report covering the Mortgaged Property. If any such report indicates the slightest evidence of termites, or other insect problems, Mortgagor shall immediately furnish evidence to Mortgagee that it has obtained and will keep in force for the remaining term of this Mortgage, a fully bonded termite protection plan acceptable to Mortgagee.

3.2 Mortgagor covenants with and warrants and represents to Mortgagee as follows:

(i) Mortgagor is lawfully seized, possessed and the owner of and has good and indefeasible, marketable fee-simple title to the Mortgaged Property, free and clear of all liabilities, claims, debts, exceptions, security interests, assessments, charges,

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