

complete satisfaction and payment thereof, Lender shall release and reconvey the Property unto the parties legally entitled thereto at the cost of Borrower.

ARTICLE ONE

COVENANTS OF BORROWER

The Borrower covenants and agrees with Lender, or any successor in title as holder of the Obligations secured hereby, as follows:

1.01 Performance of Loan Documents. The Borrower shall cause to be performed, observed and complied with all provisions of the Loan Documents and will promptly pay to Lender the principal with interest thereon of all Obligations required to be paid by Borrower under the Loan Documents when payment shall become due.

1.02 General Representations, Covenants and Warranties. The Borrower represents, warrants and covenants that (a) the Borrower is seized of an indefeasible estate in fee simple in, and has good and absolute title to, the Property, and has good right, full power and lawful authority to mortgage and pledge the same as provided herein and Lender may at all times peaceably and quietly enter upon, hold, occupy and enjoy the Property in accordance with the terms hereof; (b) the Property is free and clear of all liens, security interests, charges and encumbrances whatsoever except those described in Exhibit "D"; (c) the Borrower will maintain and preserve the lien of this Mortgage until the Obligations secured hereby have been paid in full; (d) the Borrower is now able to meet its debts as they mature, the fair market value of its assets exceeds its liabilities and no bankruptcy or insolvency proceedings are pending or contemplated by or against the Borrower; (e) all reports, statements and other data furnished by the Borrower to Lender in connection with the transaction contemplated by the Loan Agreement are true, correct and complete in all material respects and do not omit to state any fact or circumstance necessary to make the statements contained therein not misleading; (f) the Loan Documents are valid and binding obligations enforceable in accordance with their respective terms, except as such terms may be limited by bankruptcy, insolvency or similar laws affecting the rights of creditors generally, and the execution and delivery thereof do not contravene any contract or agreement to which the Borrower is a party or by which the Borrower or any of its properties may be bound and do not contravene any law, order, decree, rule or regulation to which the Borrower is subject; (g) there are no actions, suits or proceedings pending, or to the knowledge of the Borrower threatened, against or affecting the Borrower or the Property; (h) all costs arising from construction of any improvements and the purchase of all equipment located on the Property have been paid; (i) electric, gas, sewer, water facilities and any other necessary utilities are, and at all times hereafter shall be, available in sufficient capacity to service the Property satisfactorily, and any easements necessary to the furnishing of such utility service by the Borrower have been obtained; (j) the Borrower is not in default under the terms of any instrument evidencing or securing any indebtedness of the Borrower, and there has occurred no event which would, if uncured or uncorrected, constitute a default under any such instrument with the giving of notice, passage of time or both; and (k) the representations, warranties and covenants made by the Borrower in the Loan Documents are incorporated herein by reference and made a part hereof.

1.03 Compliance with Laws. The Borrower covenants and warrants that the Property presently complies with and will continue to comply with all applicable restrictive covenants,