

ARTICLE IICovenants of the Mortgagor

The Mortgagor covenants and agrees with the Mortgagee as follows:

Section 2.01. Covenants of Title. The Owner is lawfully possessed of the Real Estate. With respect to the Real Estate comprising the Mortgaged Property, the Owner holds the fee simple title to the same, subject to no liens or encumbrances superior to this Mortgage, except easements, restrictions and rights-of-way of record, and the lien for current taxes not delinquent.

Red Roof is lawfully possessed of the Real Estate. With respect to the Real Estate comprising the Mortgaged Property, Red Roof holds a leasehold interest therein pursuant to a certain Lease by and between Owner and Red Roof dated as of March 18, 1983 (the "Lease"), subject to no liens or encumbrances superior to this Mortgage, except easements, restrictions and rights-of-way of record, and the lien for current taxes not delinquent.

Except as to after acquired property and improvements to be constructed, Red Roof is lawfully possessed of and has good title to all the remainder of the Mortgaged Property, free and clear of all liens and encumbrances.

Mortgagor will warrant and defend the Mortgaged Property for the benefit of the Mortgagee, and the Mortgagee's lien hereunder, against all claims and demands of any person whomsoever. Mortgagor has the right and authority to mortgage the Mortgaged Property as provided in this Mortgage. So long as there is any balance due under said Note, or other indebtedness