
MORTGAGE, SECURITY AGREEMENT,
FINANCING STATEMENT AND ASSIGNMENT OF LEASES AND RENTS

MADE BY

CITY OF SANTA FE, NEW MEXICO,
a municipal corporation and political subdivision of the State of New Mexico,

TO

THE BANK OF NEW YORK MELLON TRUST COMPANY,
NATIONAL ASSOCIATION

RELATING TO:

[\$68,770,000]

CITY OF SANTA FE, NEW MEXICO
RETIREMENT FACILITY REVENUE BONDS
(EL CASTILLO RETIREMENT RESIDENCES PROJECT)
SERIES 2019

Exhibit

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MORTGAGE, SECURITY AGREEMENT,
FINANCING STATEMENT AND ASSIGNMENT OF LEASE AND RENTS

The City of Santa Fe, New Mexico, a municipal corporation and political subdivision of the State of New Mexico (the "Mortgagor"), gives this Mortgage, Security Agreement, Financing Statement and Assignment of Leases and Rents (the "Mortgage") to The Bank of New York Mellon Trust Company, National Association, in its capacity as Master Trustee under the Master Indenture (the "Mortgagee"), on the following terms:

1. Recitals. The following recitals apply to this Mortgage:

1.1. The City of Santa Fe, New Mexico (the "Issuer") has contemporaneously herewith issued its Retirement Facility Revenue Bonds (El Castillo Retirement Residences Project) Series 2019 in the aggregate principal amount of \$[68,770,000] (the "Series 2019 Bonds") under an Indenture of Trust dated as of October 1, 2019 (the "Indenture"), between the Issuer and Mortgagee, as bond trustee, to: (a) provide funds for the acquisition, improvement, equipping and financing the cost of a project located in the City of Santa Fe, New Mexico for El Castillo Retirement Residences, a New Mexico nonprofit corporation (the "Obligor"), all owned and operated by Mortgagor and located within the City at 401 Old Taos Highway, Santa Fe, New Mexico (the "Project"); (b) fund a debt service reserve fund; and (c) pay a portion of the cost of issuance of the Bonds.

1.2. Pursuant to the Lease and Purchase Agreement dated as of October 1, 2019 (the "Lease Agreement"), between the Obligated Group Representative and the Issuer, the Obligated Group Representative has agreed to issue the Obligation (the "Obligation") created by the Supplemental Indenture to evidence the obligation of the Obligated Group Representative to make the payments required under the Lease Agreement.

1.3. The Obligated Group Representative is authorized by law and by the Indenture, and deems it necessary and desirable, to issue and deliver the Obligation pursuant to the Indenture.

1.4. Pursuant to the terms of the Indenture, each of the Obligated Group Members will be jointly and severally liable for the payment of lease payments of the Obligation.

1.5. Mortgagor desires to secure to Mortgagee the payment or repayment of all sums secured by this Mortgage and compliance with the terms, covenants and conditions, expressed or implied, set forth in the Bond Documents.

2. Definitions. As used in this Mortgage, the following terms have the meanings given to them below. Capitalized terms used but not defined in this Mortgage have the meanings given to them in the Indenture.

2.1. Bond Documents. Collectively, this Mortgage, the Master Indenture, the Supplemental Indenture, the Note and the Lease Agreement

2.2. Collateral. All personal property located on or at the Mortgaged Property and/or used in the operation of the Project, including, without limitation, all inventory, equipment, fixtures, accounts, chattel paper, notes, documents and all general intangibles, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof, to the extent permitted by law.

2.3. Commercial Code. The Uniform Commercial Code of the State.

2.4. Environmental Laws. The Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Resource Conservation and Recovery Act, the Superfund Amendments and Reauthorization Act of 1986, any other "Superfund" or "Superlien" law, or any other federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment or governing the use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local governmental agencies and authorities with respect thereto.

2.5. Event of Default. Any happening or occurrence described in paragraph 8 of this Mortgage.

2.6. Governmental Authority. Any and all courts, boards, agencies, commissions, offices or authorities of any nature whatsoever for any governmental unit (Federal, state, county, district, municipal, city or otherwise), whether now or hereafter in existence.

2.7. Hazardous Materials. Any chemical, substance or material classified or designated as hazardous, toxic or radioactive, or other similar term, and now or hereafter regulated under any Environmental Law, including without limitation, asbestos, petroleum and hydrocarbon products.

2.8. Impositions. All real estate and personal property taxes; water, gas, sewer, electricity and other utility rates and charges; charges for any easement, license or agreement maintained for the benefit of the Mortgaged Property; and all other taxes, charges and assessments and any interest, costs or penalties with respect thereto, general and special, ordinary and extraordinary, foreseen and unforeseen, of every kind and nature whatsoever, which at any time prior to or after the execution of this Mortgage may be assessed, levied or imposed upon the Mortgaged Property or the Rents or the ownership, use, occupancy or enjoyment of the Mortgaged Property.

2.9. Improvements. Any improvements constructed or to be constructed upon the Land or any part of the Land, together with all tenant finish work with related facilities and amenities.

2.10. Land. The real estate situated and lying in Santa Fe County, New Mexico more particularly described in Exhibit 2.10 attached to this Mortgage and by this reference made a part of this Mortgage, all Collateral or other Improvements situated on the Land and all rights, titles and interests appurtenant to the Land.

2.11. Leases. Any and all leases, subleases, licenses, concessions or other agreements (written or verbal, now or hereafter in effect) which grant a possessory interest in and to, or the right to use or enjoy, all or any portion of the Mortgaged Property, together with all security and other deposits made in connection therewith.

2.12. Legal Requirements. Any and all present and future judicial decisions, statutes, rulings, rules, regulations, permits, certificates or ordinances of any Governmental Authority in any way applicable to Mortgagor or the Mortgaged Property, including, without limiting the generality of the foregoing, the ownership, use, construction, occupancy, possession, operation, maintenance, alteration, repair or reconstruction of the Mortgaged Property.

2.13. Lessees. Any and all tenants, subtenants, guarantors and any other party which is obligated to pay rent to Mortgagor pursuant to the Leases.

2.14. Lien. Has the meaning given to such term in the Master Indenture.

2.15. Master Indenture. The [Master Indenture of Trust and Security Agreement between Mortgagor and Mortgagee] dated as of [December 1, 2012].

2.16. Mortgaged Property. All of Mortgagor's right, title and interest in and to the Land, and all of Mortgagor's right, title and interest in and to all present and future Improvements, Collateral, and Rents, together with: (i) all present and future rights, privileges, tenements, hereditaments, royalties, water rights, minerals, oil and gas rights, rights-of-way, easements, appendages and appurtenances in anywise appertaining thereto, and all right, title and interest of Mortgagor, if any, in and to any streets, ways, alleys, strips or gores of land adjoining the Land; (ii) all present and future betterments, improvements, additions, alterations, appurtenances, substitutions, replacements and revisions thereof and thereto, and all reversions and remainders therein; (iii) all of Mortgagor's present and future right, title and interest in and to any awards, remunerations, reimbursements, condemnation payments, settlements or compensation heretofore made or hereafter to be made by any Governmental Authority pertaining to the Land, Improvements or Collateral, including, but not limited to, those for any vacation of, or change of grade in, any streets affecting the Land or the Improvements and those for municipal utility district or other utility costs incurred or deposits made in connection with the Land; (iv) all of Mortgagor's present and future right, title and interest in and to any proceeds of insurance required or maintained pursuant to this Mortgage; (v) subject to the license granted to Mortgagor under paragraph 12.2 of this Mortgage, all of the Leases and Rents; (vi) all contracts now or hereafter entered into by and between Mortgagor and any other party, as well as all right, title and interest of Mortgagor under any subcontracts, providing for the

construction (original, restorative or otherwise) of any improvements to or on any of the Mortgaged Property or the furnishing of any materials, supplies, equipment or labor in connection with any such construction; (vii) all of the plans, specifications and drawings (including, without limitation, plot plans, foundation plans, floor plans, elevations, framing plans, cross-sections of walls, mechanical plans, electrical plans and architectural and engineering plans and architectural and engineering studies and analyses) heretofore or hereafter prepared by any architect, engineer or other design professional, in respect of any of the mortgaged property; (viii) all agreements now or hereafter entered into with any person or entity in respect of architectural, engineering, design, management, development or consulting services rendered or to be rendered in respect of planning, design, inspection or supervision of the construction, management or development of any of the Mortgaged Property; (ix) any commitment issued by any lender or investor other than mortgagee to finance or invest in any of the Mortgaged Property; (x) any completion bond, performance bond and labor and material payment bond and any other bond relating to the mortgaged property or to any contract providing for construction of improvements to any of the mortgaged property; and (xi) all substitutions for and proceeds of any of the foregoing received upon the rental, sale, exchange, transfer, collection or other disposition or substitution of it, and (xii) any and all other security and collateral, of any nature whatsoever now or hereafter given for the repayment of the Secured Obligations (defined below) or the performance and discharge of the Secured Obligations. As used in this Mortgage, the term "Mortgaged Property" shall be expressly defined as meaning all or, where the context permits or requires, any portion of the above, and all or, where the context permits or requires, any interest in the Mortgaged Property.

2.17. Mortgagee. The above named Mortgagee and any successor to or assignee of Mortgagee.

2.18. Mortgagor. The above named Mortgagor and any and all subsequent owners of the Mortgaged Property or any part of the Mortgaged Property (without implying Mortgagee's consent to any transfer, assignment or sale of the Mortgaged Property or interest in Mortgagor).

2.19. Net Proceeds. Has the meaning given to such term in the Master Indenture.

2.20. Note. Has the meaning given to such term in the Supplemental Indenture.

2.21. Obligated Group Representative. Has the meaning given to such term in the Supplemental Indenture.

2.22. Obligations. Has the meaning given to such term in the Master Indenture.

2.23. Outstanding. Has the meaning given to such term in the Master Indenture.

2.24. Permitted Encumbrances. The items listed on Exhibit 2.24 to this Mortgage.

2.25. Person. Has the meaning given to such term in the Master Indenture.

2.26. Recording Date. The day on which this Mortgage is recorded in the real property records of Santa Fe County, New Mexico.

2.27. Rents. All of the rents, receipts, revenues, issues and profits now due or which may become due or to which Mortgagor may now or hereafter shall become entitled (whether upon the expiration of any applicable period of redemption or otherwise) or may demand or claim, arising or issuing from or out of the Leases, or from or out of using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying the Mortgaged Property or any part of the Mortgaged Property, including, without limiting the generality of the foregoing, minimum rents, additional rents, percentage rents, parking maintenance charges or fees, tax and insurance contributions, proceeds of sale of electricity, gas, chilled and heated water and other utilities and services, deficiency rents, security deposits and liquidated damages following default or late payment of rent, premiums payable by any Lessee upon the exercise of a cancellation privilege provided for in any of the Leases and all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Mortgaged Property, together with any and all rights and claims of any kind which Mortgagor may have against any Lessee under any of the Leases or any subtenants or occupants of the Mortgaged Property.

2.28. State. The State of New Mexico.

2.29. Supplemental Indenture. Supplemental Indenture Number 2 between Obligor and Mortgagee dated as of October 1, 2019.

2.30. Title Company. [Rio Grande Title Company, Inc. as agent for Chicago Title Insurance Company].

2.31. Title Policy. An American Land Title Association form loan policy of title insurance in the principal amount of the Bonds issued by the Title Company, evidencing that Mortgagor has good and indefeasible fee title to the Land and that the Mortgage constitutes a valid first lien on the Land, subject only to the Permitted Encumbrances and containing such endorsements as Mortgagee may require in its reasonable discretion.

2.32. Work. Any reconstruction, repair or restoration of the Mortgaged Property after the occurrence of damage or destruction to the Mortgaged Property.

3. Grant. For and in consideration of the Secured Obligations evidenced by the Note and all other sums payable under the provisions of this Mortgage and the other Bond Documents, and for other good and valuable consideration, the receipt and

adequacy of which are hereby acknowledged, Mortgagor irrevocably GRANTS, BARGAINS, SELLS, MORTGAGES, TRANSFERS, ASSIGNS, AND CONVEYS to Mortgagee, and Mortgagee's successors and assigns, the Mortgaged Property, with mortgage covenants, and on the statutory mortgage condition, for breach of which this Mortgage is subject to foreclosure as provided by law (provided however, that to the extent of any conflict between the provisions of this Mortgage and of the statutory mortgage condition, the provisions of this Mortgage shall govern), subject to the Permitted Encumbrances; to have and to hold the Mortgaged Property, together with all and singular the rights, hereditaments, and appurtenances in anywise appertaining or belonging thereto, unto Mortgagee and Mortgagee's successors and assigns forever.

4. Secured Obligations. This Mortgage, and all rights and all titles, interest, and liens created by this Mortgage, or arising by virtue of this Mortgage are given to secure payment and performance of the following obligations (collectively, the "Secured Obligations"): (a) payment of the Note and the performance and discharge of each and every obligation of Mortgagor set forth in the Bond Documents; (b) payment to Mortgagee of all other sums, with interest thereon, becoming due or payable under the provisions of the Bond Documents; (c) due, prompt and complete observance and performance of each and every obligation, covenant and agreement of Mortgagor contained in the Bond Documents; and (d) all amounts expended by Mortgagee or Trustee under the Bond Documents. THE MAXIMUM AMOUNT SECURED BY THE LIEN OF THIS MORTGAGE IS TWICE THE FACE AMOUNT OF THE NOTE. This statement of the maximum amount secured by the lien of this Mortgage is made to comply with §48-7-9 NMSA 1978, as amended from time to time, and shall not in any way imply that Mortgagee is obligated to make any future advances to Mortgagor at any time, unless specifically so provided in the Bond Documents. This statement of the maximum amount secured limits, as provided in §48-7-9 NMSA 1978, as amended from time to time, only the total amount that may be, at any one time, outstanding and secured on the provisions in this Mortgage.

5. Warranties and Representations. Mortgagor unconditionally warrants and represents to Mortgagee as follows (which warranties and representations have been and shall be relied upon by Mortgagee in advancing funds to Mortgagor under the Bond Documents):

5.1. Title to Mortgaged Property and Priority of this Mortgage. Mortgagor has good, marketable and indefeasible title to the Mortgaged Property, free and clear of any liens, charges, encumbrances, security interests and adverse claims whatsoever except the Permitted Encumbrances. This Mortgage constitutes a valid first-priority lien and security interest on the Mortgaged Property in accordance with the terms of this Mortgage. Mortgagor, for Mortgagor and its successors, agrees to warrant and forever defend, all and singular, good and marketable unencumbered, good marketable and indefeasible title to the Mortgaged Property unto Mortgagee, and Mortgagee's successors or assigns, forever, against every Person whomsoever lawfully claiming, or to claim, the same or any part thereof, subject, however, to the Permitted Encumbrances. Notwithstanding paragraph 5.7 of this Mortgage or any other provision of this Mortgage to the contrary, the foregoing warranty of title shall survive the

foreclosure of this Mortgage and shall inure to the benefit of and be enforceable by any Person who may acquire title to the Mortgaged Property pursuant to such foreclosure, deed-in-lieu of foreclosure or other method. Mortgagor has full right, power and authority to execute and deliver this Mortgage to Mortgagee.

5.2. Taxes and Other Payments. Mortgagor has filed all Federal, state, county, municipal and city income and other tax returns required to have been filed by them and have paid all taxes which have become due pursuant to such returns or pursuant to any assessments received by them, and Mortgagor does not know of any basis for any additional assessment in respect of any such taxes. All taxes, assessments and other charges, if any, levied against the Mortgaged Property have been paid in full. Mortgagor has paid or shall pay in full all sums owing or claimed for labor, material, supplies, personal property (whether or not forming a Fixture under this Mortgage) and services of every kind and character used, furnished or installed in or on the Mortgaged Property and no claim for same exists or shall be permitted to be created.

5.3. Streets, Easements, Utilities and Other Services. All streets, easements, utilities and related services necessary for the operation of the Improvements for their intended purpose are available to the boundaries of the Land, including potable water, storm and sanitary sewer, gas, electric and telephone facilities and garbage removal.

5.4. Contract and Commencement of Construction. Neither Mortgagor nor anyone else on Mortgagor's behalf has: (i) commenced construction of the Project; (ii) purchased, contracted for or otherwise brought upon the Land any materials, specifically fabricated or otherwise, to be incorporated into the Improvements; or (iii) made any oral or written contract or arrangement of any kind, the performance of which by the other party hereto would be could give rise to a lien or claim on the Mortgaged Property, or any portion thereof, except for Permitted Encumbrances; or if any of such activities have taken place, Mortgagor has provided Mortgagee with assurances and protection against any claim or action arising from such activities acceptable to Mortgagee.

5.5. Mortgagor Solvent. Mortgagor is now solvent, and no bankruptcy or insolvency proceedings are pending or contemplated by or, to Mortgagor's knowledge, against mortgagor. Mortgagor's liabilities and obligations under this Mortgage and any other Bond Documents to which Mortgagor is a party do not and will not render Mortgagor insolvent, cause Mortgagor's liabilities to exceed Mortgagor's assets or leave Mortgagor with too little capital to properly conduct all of its business as now conducted or contemplated to be conducted.

5.6. No False Representation. No representation or warranty contained in this Mortgage or any other bond document to which Mortgagor is a party and no statement contained in any certificate, schedule, list, financial statement or other papers furnished to Mortgagee by or on behalf of Mortgagor contains any untrue statement of material fact, or omits to state a material fact necessary to make the statements

contained in this Mortgage or therein not misleading.

5.7. Survival of Representations and Warranties. All representations and warranties made by Mortgagor in this Mortgage shall survive the execution and delivery of this Mortgage, shall be continuing in nature, and (subject to paragraph 5.1 of this Mortgage) shall remain in full force and effect until such time as the secured obligations are paid in full.

6. Affirmative Covenants. Mortgagor unconditionally covenants and agrees with Mortgagee as follows:

6.1. Payment of Impositions.

6.1.1. Mortgagor shall duly pay and discharge, or cause to be paid and discharged, the Impositions not later than the due date thereof, or the day any fine, penalty, interest or cost may be added thereto or imposed, or the day any lien may be filed, for the nonpayment thereof (if such day is used to determine the due date of the respective item) and shall furnish proof of such payment to Mortgagee promptly upon request therefor; provided, however, that Mortgagor may, to the extent and in the manner permitted by law: (a) pay the Impositions in installments whether or not interest shall accrue on the unpaid balance of such Impositions if such installment payment would not create or permit the filing of a lien (statutory, constitutional or contractual) against the Mortgaged Property; and (b) contest the payment of any Impositions in good faith and by appropriate proceedings provided that: (i) any such contests shall be prosecuted diligently and in a manner not prejudicial to the rights, liens and security interests of Mortgagee; (ii) Mortgagor shall deposit funds with Mortgagee (or with the jurisdiction in which the Mortgaged Property is situate (the "Jurisdiction"), if required by applicable law) or obtain a bond in an amount sufficient to cover any amounts which may be owing in the event the contest may be unsuccessful (Mortgagor shall make such deposit or obtain such bond, as the case may be, within five (5) days after demand therefor and, if made by payment of funds to Mortgagee, the amount so deposited shall be disbursed in accordance with the resolution of the contest either to Mortgagor or the adverse claimant; (iii) no contest may be conducted and no payment may be delayed beyond the date on which the Mortgaged Property could be sold for nonpayment; and (iv) Mortgagee may, but is not obligated to, pay over to the taxing authority entitled thereto any or all of the funds at any time when, in the opinion of Mortgagee's counsel, the entitlement of such authority to such funds is established. Subject to Mortgagor's right to contest as provided for in this Mortgage, Mortgagor shall submit to Mortgagee copies of tax statements and paid tax receipts evidencing the due and punctual payment of all real estate and personal property taxes, charges and assessments levied upon or assessed or charged against the Mortgaged Property on or before the delinquent date of any such taxes.

6.1.2. In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of deeds to secure debt, or security agreements, or assignments of leases or debts

secured thereby or the manner of collecting such taxes so as to adversely affect Mortgagee, Mortgagor shall pay any such tax on or before the due date thereof.

6.2. Insurance. Mortgagor shall maintain insurance coverage meeting all requirements of the Master Indenture.

6.3. Repair. Mortgagor shall not abandon the Mortgaged Property or leave the Mortgaged Property unguarded, unprotected or deserted, and shall not cause or permit any waste to any portion of the Mortgaged Property. Mortgagor shall keep, preserve and maintain all elements of the Mortgaged Property in a good state of repair and condition (casualty, condemnation and normal wear and tear excepted). Mortgagor shall not commit, suffer or permit any act with respect to the Mortgaged Property which would be in violation of any Legal Requirement. With reasonable prior written notice to Mortgagee, except if Mortgagor is in default or in event of emergency, in which event no notice shall be required, Mortgagee shall permit Mortgagee in person or by agent to enter the Mortgaged Property at any time to inspect or protect the Mortgaged Property in such manner and to such manner and to such extent as Mortgagee may deem necessary.

6.4. Restoration Following Casualty. If any act or occurrence of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (including any casualty for which insurance was not obtained or obtainable), shall result in damage to or loss or destruction of the Mortgaged Property, Mortgagor may elect to restore the Mortgaged Property as provided in paragraph 4.14 of the Master Indenture

6.5. Application of Net Proceeds. The Net Proceeds shall be applied as provided in paragraph 4.14 of the Master Indenture.

6.6. Performance of Leases. Mortgagor shall: (a) duly and punctually perform and comply with any and all representations, warranties, covenants and agreements expressed as binding upon it under each of the Leases; (b) not voluntarily terminate, cancel or waive its rights or the obligations of any other party under any of the Leases, except that any of the Leases may be terminated in connection with the enforcement of a bona fide default by the tenant thereunder and as required by Legal Requirements; (c) use all reasonable efforts to maintain each of the Leases in force and effect during the full term thereof; (d) and appear in and defend any action or proceeding arising under or in any manner connected with any of the Leases or the representations, warranties, covenants and agreements of it or the other party or parties thereto.

6.7. Hold Harmless. Mortgagor shall defend, at its own cost and expense (with legal counsel to be chosen by Mortgagor and reasonably acceptable to Mortgagee), and hold Mortgagee harmless from any action, proceeding or claim affecting the Mortgaged Property or the Bond Documents, and, to maximum extent permitted by law, all costs and expenses incurred by Mortgagee in protecting its interests under this Mortgage in such an event (including all court costs and attorneys' fees and expenses) shall be borne by Mortgagor and secured by this Mortgage.

Mortgagor shall notify Mortgagee in writing promptly after Mortgagor receives a notice or threat of any such action, proceeding or claim. This indemnity provision shall survive the repayment of any and all Secured Obligations, shall be binding upon the separate and respective heirs, administrators, personal representatives, successors and assigns of the Mortgagor and shall inure to the benefit of the successors and assigns of Mortgagee and Mortgagee's directors, shareholders, attorneys, agents and employees.

6.8. Duty to Notify. Mortgagor shall give prompt notice to Mortgagee and Trustee of any change in any representation, warranty or statement made by Mortgagor under and pursuant to the Bond Documents or any affidavit or other instrument executed in connection with the Bond Documents which with the passage of time proves to be false or misleading in any material respect.

6.9. Use of Mortgaged Property. Mortgagor shall use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of, any portion of the Mortgaged Property only in compliance with all Legal Requirements and only in a manner that does not constitute a public or private nuisance or makes void, voidable or cancelable or increase the premium of any insurance then in force with respect thereto.

7. Negative Covenants. Mortgagor covenants and agrees with Mortgagee that until the entire Secured Obligations shall have been paid in full and all of the Secured Obligations shall have been fully performed and discharged:

7.1. No Further Encumbrances. Mortgagor agrees that it shall not create or suffer to be created or permit the existence of any Lien in violation of Section 4.19 of the Master Indenture.

7.2. Disposition. Mortgagor shall not convey, transfer, loan, lease, sell or assign any of the Mortgaged Property except as permitted by Section 4.18 of the Master Indenture.

7.3. Improvements. Mortgagor will not tear down, damage or attempt to remove, demolish or materially alter or enlarge any material elements of the Mortgaged Property, or, except in connection with the Project, construct any new material Improvements.

8. Events of Default. As used in this Mortgage, the term Event of Default means the occurrence or happening, at any time and from time to time, of any one or more of the following:

8.1. Payment of Secured Obligations. Failure to pay all or part of the Secured Obligations when such payments become due and payable after application of all relevant cure periods, whether by acceleration or otherwise.

8.2. Performance. Failure to perform any covenant or agreement of Mortgagor under this Mortgage (other than a covenant or agreement a default in the performance or breach of which is specifically dealt with elsewhere in this paragraph 8), and continuance of such failure for a period of thirty (30) days after there has been

given to Mortgagor by Mortgagee or to Mortgagor and Mortgagee by the owners of at least twenty-five percent (25%) in principal amount of the Obligations then Outstanding, a written notice specifying such failure and requiring it to be remedied; provided, that if such default cannot be fully remedied within such thirty (30)-day period, but can reasonably be expected to be fully remedied, such failure shall not constitute an Event of Default if Mortgagor shall promptly upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch within one hundred eighty (180) days of the date of such written notice.

8.3. Representations and Warranties. Any representation or warranty made by Mortgagor in this Mortgage or in any written statement or certificate furnished to Mortgagee or the purchaser of any Bond in connection with the sale of any Bond or furnished by Mortgagor pursuant to this Mortgage proves untrue in any material respect as of the date of the issuance or making thereof and shall not be corrected or brought into compliance within thirty (30) days after there has been given to Mortgagor by Mortgagee or to Mortgagor and Mortgagee by the owners of at least twenty-five percent (25%) in principal amount of the Obligations then Outstanding, a written notice specifying such default or breach and requiring it to be remedied; provided, that if such default cannot be fully remedied within such thirty (30)-day period, but can reasonably be expected to be fully remedied, such default shall not constitute an Event of Default if Mortgagor shall promptly upon receipt of such notice commence the curing of such default and shall thereafter prosecute and complete the same with due diligence and dispatch within one hundred eighty (180) days of the date of such written notice.

8.4. Foreclosure Proceedings. Upon the institution of any foreclosure proceeding by the holder of any mortgage or lien upon the Mortgaged Property (provided, however, this Event of Default shall not constitute or be construed as Mortgagee's consent to or approval of the existence or imposition of any mortgage or lien upon the Mortgaged Property.

8.5. Insolvency. After the date hereof, Mortgagor is adjudicated insolvent, makes an assignment for the benefit of creditors, admits in writing an inability to pay debts as they mature or a receiver, trustee, conservator or liquidator is appointed for Mortgagor or for any part of the property or affairs of Mortgagor.

8.6. Levy; Seizure. Any levy, seizure, execution, replevin or attachment is issued or commenced against Mortgagor or Mortgagor's property.

8.7. Other Bond Documents. The occurrence and continuance of any "Event of Default" specified in any of the other Bond Documents that has not been waived or cured.

8.8. Condemnation; Casualty. Any condemnation proceeding is commenced relating to all or any material part of the Mortgaged Property, or any material damage to or destruction of the Mortgaged Property occurs and insurance proceeds (together with other funds deposited with Mortgagee by or on behalf of Mortgagor for the purpose of repair and restoration of such damage or destruction, if

any) are not sufficient to repair and restore the Mortgaged Property as determined by the procedures set forth in the Indenture, or if insurance proceeds are not paid.

9. Mortgagee's Remedies.

9.1. Remedies. Upon the occurrence of any one or more Events of Default, Mortgagee may, and if requested by the owners of not less than twenty five percent (25%) in principal amount of Bonds then Outstanding and being indemnified to its satisfaction, shall in addition to any rights or remedies available to Mortgagee under this Mortgage or under the other Bond Documents, take such action personally or by its agents or attorneys, with or without entry, and without notice, demand, presentment or protest (each and all of which are hereby waived), as it deems necessary or advisable to protect and enforce Mortgagee's rights and remedies against Mortgagor and in and to the Mortgaged Property, including the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Mortgagee may determine, without impairing or otherwise affecting its rights or remedies:

9.1.1. Mortgagee may, upon written notice to Mortgagor, declare the entire unpaid balance of the Secured Obligations immediately due and payable, and upon such declaration the entire unpaid balance of the Secured Obligations shall be immediately due and payable.

9.1.2. Mortgagee shall be entitled to the appointment of a receiver without regard to the solvency of Mortgagor or the value of the Mortgaged Property.

9.1.3. Mortgagee may proceed by suit or suits, at law or in equity, to enforce the payment and performance of the Secured Obligations in accordance with the terms of this Mortgage or of the other Bond Documents, to foreclose or otherwise enforce the assignments, liens, and security interests created or evidenced by the other Bond Documents, or this Mortgage as against all, or any part of, the Mortgaged Property, and to have all or any part of the Mortgaged Property sold under the judgment or decree of a court of competent jurisdiction. IF THE MORTGAGED PROPERTY IS SOLD AT A FORECLOSURE SALE FOLLOWING A COURT-ORDERED JUDICIAL FORECLOSURE, THE REDEMPTION PERIOD AFTER THE SALE SHALL BE ONE (1) MONTH INSTEAD OF NINE (9) MONTHS.

9.1.4. Notwithstanding anything contained herein or in the Master Indenture to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Mortgagee to liability under any Environmental Law, Mortgagee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. Mortgagee shall not be required to take any foreclosure action if the approval of a government regulator shall be a condition precedent to taking such action, and such approval cannot be obtained.

9.1.5. Anything in the Master Indenture to the contrary notwithstanding, Mortgagee shall not be required to enter, take possession of, or take any other action whatsoever with respect to the failure to initiate foreclosure proceedings with respect to the Mortgaged Property unless Mortgagee is satisfied that Mortgagee will not be subject to any liability under any Environmental Law whatsoever or from any circumstances present at the Mortgaged Property relating to the presence, use, management, disposal or contamination by any environmentally hazardous materials or substances of any kind whatsoever.

9.1.6. If a deficiency exists between the net proceeds of any sale of the Mortgaged Property and the total amount of the Secured Obligations, Mortgagor shall pay, promptly upon demand, the amount of the deficiency to Mortgagee. At any sale of the Mortgaged Property made in the enforcement of the rights and remedies as provided in this Mortgage and the other Bond Documents, Mortgagee may, so far as may be lawful, purchase any part or parts of the Mortgaged Property offered at the sale and may make a credit bid.

9.1.7. To the extent permitted by law, Mortgagee may enter upon the Land, take possession of the Mortgaged Property and remove the Collateral or any part thereof, with or without judicial process, and, in connection therewith, without any responsibility or liability, including, without limitation, liability for consequential damages of any kind on the part of Mortgagee, and Mortgagee may take possession of any property located on or in any real estate which is not a part of the Mortgaged Property and hold or store such property at Mortgagor's expense.

9.1.8. If Mortgagor has failed to keep or perform any covenant whatsoever contained in the Bond Documents or in the Leases, Mortgagee may, but shall not be obligated to, perform or attempt to perform said covenant, and any payment made or expense incurred in the performance or attempted performance of any such covenant shall be a part of the Secured Obligations, and Mortgagor promises, within five (5) days of the written demand, to pay to Mortgagee all sums so advanced by Mortgagee, with interest at the rate of eight percent (8%) per year from the date when paid by Mortgagee. No such payment by Mortgagee shall constitute a waiver of any Event of Default. In addition to the liens and security interests hereof, Mortgagee shall be subrogated to all Liens securing the payment of any debt, claim, tax, or assessment which Mortgagee may pay.

9.1.9. Should any part of the Mortgaged Property come into the possession of Mortgagee, whether before or after an Event of Default, Mortgagee may use, operate, and/or make repairs, alterations, additions and improvements to the Mortgaged Property for the purpose of preserving it or its value. Mortgagor covenants to promptly reimburse and pay to Mortgagee at such place as may be designated by Mortgagee in writing, the amount of all expenses (including the cost of any insurance, taxes, or other charges) incurred by Mortgagee in connection with its custody, preservation, use or operation of the Mortgaged Property, together with interest thereon from the date incurred by Mortgagee at the rate of eight percent (8%) per year, and all such expenses, cost, taxes, interest, and other charges shall be a part of the Secured

Obligations. It is agreed, however, that the risk of accidental loss or damage to the Mortgaged Property is undertaken by Mortgagor, and Mortgagee shall have no liability whatsoever for decline in value of the Mortgaged Property, for failure to obtain or maintain insurance, or for failure to determine whether any insurance ever in force is adequate as to amount or as to the risks insured.

9.1.10. After notification, if any, hereafter provided in this paragraph, Mortgagee may sell, lease, or otherwise dispose of (herein a "Sale") all or any part of the Collateral in conjunction with or separately from any sale of the Land. The Collateral may be sold in its then condition, or following any commercially reasonable preparation or processing, and each Sale may be as a unit or in parcels, by public or private proceedings, and by way of one or more contracts, and, at any Sale, it shall not be necessary to exhibit the Collateral being sold. In order to dispose of the Collateral, Mortgagee may advertise the Collateral for sale under any and all trade names or service names attached to, fixed upon or made part of, any of the Collateral. The Sale of any part of the Collateral may be sold, from time to time, until the Secured Obligations are paid and performed in full. Reasonable notification of the time and place of any public Sale pursuant to this Subsection, or reasonable notification of the time after which any private Sale is to be made pursuant to this subparagraph, shall be sent to Mortgagor and to any other Person entitled to notice under the Commercial Code; provided, that if the Collateral being sold is perishable, or threatens to decline speedily in value, or is of a type customarily sold on a recognized market, Mortgagee may sell, lease, or otherwise dispose of such Collateral without notification, advertisement or other notice of any kind. It is agreed that notice sent or given not less than ten (10) calendar days prior to the taking of the action to which the notice relates, is reasonable notice for the purposes of this Paragraph 9.1.8.

9.1.11. Mortgagee may require Mortgagor to assemble the Collateral, or any part thereof, and make it available to Mortgagee at a place to be designated by Mortgagee which is reasonably convenient to Mortgagee.

9.1.12. Mortgagee may at its option retain the Collateral in satisfaction of the Secured Obligations whenever the circumstances are such that Mortgagee is entitled to do so under the Commercial Code.

9.1.13. Mortgagee may, in its own name or the name of Mortgagor, notify any or all parties obligated on any of the Collateral to make all payments due or to become due thereon directly to Mortgagee, whereupon the power and authority of Mortgagor to collect the same in the ordinary course of its business shall be deemed to be immediately revoked and terminated. With or without such general notification, Mortgagee may take or bring in Mortgagor's name or that of Mortgagee all steps, actions, suits or proceedings deemed by Mortgagee necessary or desirable to effect possession or collection of the Collateral, including sums due or paid thereon, may complete any contract or agreement of Mortgagor in any way related to any of the Collateral, may make allowances or adjustments related to the Collateral, may compromise any claims related to the Collateral, may issue credit in its own name or the name of Mortgagor, may remove from Mortgagor's premises all documents,

instruments, records, files or other items relating to the Collateral, and Mortgagee may, without cost or expense to Mortgagee, use Mortgagor's personnel, supplies and space to take possession of, administer, collect and dispose of the Collateral.

9.1.14. Issuance by Mortgagee of a receipt to any Person obligated to pay any amounts to Mortgagor shall be a full and complete release, discharge and acquittance to such Person to the extent of any amount so paid to Mortgagee. Mortgagee is hereby authorized and empowered on behalf of Mortgagor to endorse the name of Mortgagor upon any check, draft, instrument, receipt, instruction or other document or items, including, but not limited to, all items evidencing payment upon any indebtedness of any Person to Mortgagor coming into Mortgagee's possession, and to receive and apply the proceeds therefrom in accordance with the terms hereof. Mortgagee is hereby granted an irrevocable power of attorney, which is coupled with an interest, to execute all checks, drafts, receipts, instruments, instructions or other documents, agreements or items on behalf of Mortgagor, after an Event of Default, as shall be deemed by Mortgagee to be necessary or advisable, in the sole discretion of Mortgagee, to protect its security interest in the Collateral or the repayment of the Secured Obligations, and Mortgagee shall not incur any liability in connection with or arising from its exercise of such power of attorney.

9.1.15. Mortgagee may buy the Collateral, or any part thereof, at any public sale or judicial sale and, if the Collateral being sold is of a type customarily sold in a recognized market or a type which is the subject of widely distributed standard price quotations, Mortgagee may also buy the Collateral, or any part thereof, at any private sale.

9.1.16. Notwithstanding anything contained in this Mortgage to the contrary, pursuant to applicable provisions of Article 9 of the Commercial Code dealing with default procedures when a security agreement covers both real and Collateral, Mortgagee may proceed under the Commercial Code as to all Collateral covered hereby or, at Mortgagee's election, Mortgagee may proceed as to both the real and Collateral covered hereby in accordance with Mortgagee's rights and remedies in respect of real property, in which case the provisions of the Commercial Code shall not apply.

9.1.17. Mortgagee shall have and may exercise the rights of a secured party under the Commercial Code and any and all other rights and remedies which Mortgagee may have at law or in equity.

9.1.18. Mortgagee may terminate the license granted to Mortgagor in paragraph 12.2 of this Mortgage to collect the Rents, and, without taking possession, in Mortgagee's own name, Mortgagee may demand, collect, receive, sue for, attach and levy the Rents, and give proper receipts, releases and acquittances therefor.

9.1.19. From and after the occurrence of an Event of Default, Mortgagee may make, modify, enforce, cancel or accept the surrender of any Lease, remove or evict any Lessee, increase or reduce rents, decorate, clean and make

repairs, and otherwise do any act or incur any costs or expenses that Mortgagee shall deem proper to protect the security hereof, as fully and to the same extent as Mortgagor could do if in possession of the Mortgaged Property.

9.2. Effect of Foreclosure on Leases; Possession; Tenant at Sufferance. Following foreclosure, any Lease of the Mortgaged Property or a portion thereof shall remain in effect, the purchaser thereby being subrogated to the lessor's interest therein, unless the purchaser elects to treat such Lease as terminated by virtue of the sale under Mortgagee's prior lien. The failure to make any such Lessees parties to any such foreclosure proceedings and to foreclose their rights shall not be, nor be asserted to be by Mortgagor, a defense to any proceedings instituted by Mortgagee to collect the Secured Obligations. If the assignments, liens, or security interests hereof shall be foreclosed by any judicial action, then the purchaser at any such sale shall receive, as an incident to his ownership, immediate possession of that portion of the Mortgaged Property purchased, and if Mortgagor or Mortgagor's successors or Lessees shall hold possession of any of said portion of the Mortgaged Property subsequent to such foreclosure, Mortgagor and Mortgagor's successors or Lessees in possession shall be considered as tenants at sufferance of the purchaser at such foreclosure sale, and anyone occupying the Mortgaged Property (or any part thereof) after demand made for possession thereof shall be guilty of forcible detainer and shall be subject to eviction and removal, with or without process of law, and all damages by reason thereof are hereby expressly waived; provided, however, that any rights granted in this Mortgage are subject to the rights of any Lessee which may exist under separate written subordination and non-disturbance agreements between such Lessee and Mortgagee.

9.3. Expenses. In any proceeding, judicial or otherwise, to foreclose this Mortgage or enforce any other remedy of Mortgagee under the Bond Documents, there shall be allowed and included as an addition to and a part of the Secured Obligations in the decree for sale or other judgment or decree all expenditures and expenses which may be paid or incurred in connection with the exercise by Mortgagee of any of its rights and remedies provided or referred to in this paragraph 9, or any comparable provision of any other Security Document, together with interest thereon at the rate of eight percent (8%) per year and the same shall be part of the Secured Obligations and shall be secured by this Mortgage.

9.4. Application of Proceeds. The proceeds of any sale referred to in this paragraph 9, together with any other sums which may be held by Mortgagee under this Mortgage, whether under the provisions of this paragraph 9 or otherwise, shall, be applied as provided in Article VII of the Indenture.

9.5. Additional Provisions as to Remedies.

9.5.1. No right or remedy in this Mortgage conferred upon or reserved to Mortgagee is intended to be exclusive of any other right or remedy, and each and every such right or remedy shall be cumulative and continuing, shall be in addition to every other right or remedy given under this Mortgage or under the other Bond Documents or now or hereafter existing at law or in equity, and may be exercised

from time to time and as often as may be deemed expedient by Mortgagee.

9.5.2. No delay or omission by Mortgagee to exercise any right or remedy hereunder upon any default or Event of Default shall impair such exercise, or be construed to be a waiver of any such default or Event of Default or an acquiescence therein.

9.5.3. The failure, refusal or waiver by Mortgagee of its right to assert any right or remedy under this Mortgage or any or the other Bond Documents upon any default or Event of Default or other occurrence shall not be construed as waiving such right or remedy upon any other or subsequent default or Event of Default or other occurrence.

9.5.4. Mortgagee shall not have any obligation to pursue any rights or remedies it may have under any other agreement prior to pursuing its rights or remedies under this Mortgage or under any of the other Bond Documents.

9.5.5. No recovery of any judgment by Mortgagee and no levy of an execution upon the Mortgaged Property or any other property of Mortgagor shall affect, in any manner or to any extent, the lien of this Mortgage upon the Mortgaged Property, or any liens, rights, powers or remedies of Mortgagee hereunder, and such liens, rights, powers and remedies shall continue unimpaired as before.

9.5.6. Mortgagee may resort to any security given by this Mortgage or any other security now given or hereafter existing to secure the Secured Obligations, in whole or in part, in such portions and in such order as Mortgagee may deem advisable, and no such action shall be construed as a waiver of any of the liens, rights or benefits granted under this Mortgage.

9.5.7. Acceptance of any payment after the occurrence of any default or Event of Default shall not be deemed a waiver or a cure of such default or Event of Default, and acceptance of any payment less than any amount then due shall be deemed an acceptance on account only.

9.5.8. In the event that Mortgagee shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, sale, entry or otherwise, and such proceeding shall be discontinued, abandoned or determined adversely for any reason, then Mortgagor and Mortgagee shall be restored to their former positions and rights under this Mortgage with respect to the Mortgaged Property, subject to the lien of this Mortgage.

9.6. Purchase by Mortgagee. Upon any foreclosure sale or sales of all or any portion of the Mortgaged Property under the power in this Mortgage granted, Mortgagee may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of the Secured Obligations as a credit to the purchase price.

9.7. Mortgagor as Tenant Holding Over. In the event of any such foreclosure sale or sales, Mortgagor shall be deemed a tenant holding over and shall

forthwith deliver possession to the purchaser or purchasers at such sale or be summarily dispossessed according to provisions of law applicable to tenants holding over.

9.8. Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Mortgagor, its creditors or its property, Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Mortgagee allowed in such proceedings for the entire amount of the Secured Obligations at the date of the institution of such proceedings and for any additional amount of the Secured Obligations after such date.

9.9. Occupancy After Foreclosure. In the event there is a foreclosure sale under this Mortgage and at the time of such sale, Mortgagor or Mortgagor's representatives, successors or assigns, or any other Persons claiming any interest in the Mortgaged Property by, through or under Mortgagor, are occupying or using the Mortgaged Property, or any part thereof, then, to the extent not prohibited by applicable law, each and all shall, at the option of Mortgagee or the purchaser at such sale, as the case may be, and subject to any applicable redemption rights, immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day-to-day, terminable at the will of either landlord or tenant, at a reasonable rental per day based upon the value of the Mortgaged Property occupied or used, such rental to be due daily to the purchaser. Further, to the extent permitted by applicable law, in the event the tenant fails to surrender possession of the Mortgaged Property upon the termination of such tenancy, the purchaser shall be entitled to institute and maintain an action for unlawful detainer of the Mortgaged Property in the appropriate court of the county in which the Land is located.

9.10. Remedies Upon Default. Upon the occurrence of any default hereunder, to the maximum extent permitted by law, Mortgagee shall have the right, at its option, to take appropriate steps to apply the Rents against the indebtedness secured hereby in whatever order Mortgagee shall direct in its absolute discretion and/or to cause any of the Collateral and Leases and Rents to be sold at any one or more public or private sales as permitted by applicable law, including at a sale held in conjunction with the sale of the Land and the Improvements as provided for in this Mortgage, and apply the proceeds of such sale against the indebtedness secured hereby in whatever order Mortgagee shall direct in its absolute discretion, and Mortgagee shall further have all other rights and remedies, whether at law, in equity or by statute, as are available to secured creditors under applicable law. No such application of the Rents and no such sale of the Collateral and Leases and Rents and application of the proceeds thereof shall be deemed to cure any default hereunder. Any disposition of the Collateral may be conducted by an employee or agent of Mortgagee. Any Person, including both Mortgagor and Mortgagee, shall be eligible to purchase any part or all of the Collateral at any such disposition. Expenses of retaking, holding, preparing for sale, selling or the like (including, without limitation, Mortgagee's attorneys' fees and legal expenses), together with interest thereon from the date incurred by

Mortgagee until actually paid by Mortgagor, shall be paid by Mortgagor within five (5) days after written demand and shall be secured by this Mortgage and by all of the other Bond Documents securing all or any part of the indebtedness evidenced by the Secured Obligations. Mortgagee shall have the right to enter upon the Land and the Improvements or any real property where any of the Mortgaged Property is located to take possession of, assemble and collect the same or to render it unusable, or Mortgagor, upon demand of Mortgagee, shall assemble such property and make it available to Mortgagee at the Land, a place which is hereby deemed to be reasonably convenient to Mortgagee and Mortgagor. If notice is required by law, Mortgagee shall give Mortgagor at least ten (10) days' prior written notice of the time and place of any public sale of such property or of the time of or after which any private sale or any other intended disposition thereof is to be made, and if such notice is sent to Mortgagor, as the same is provided for the mailing of notices in this Mortgage, it is hereby deemed that such notice shall be and is reasonable notice to Mortgagor. No such notice is necessary for any such property which is perishable, threatens to decline speedily in value or is of a type customarily sold on a recognized market. Any sale made pursuant to the provisions of this Section shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with the foreclosure sale as provided in paragraph 9 of this Mortgage upon giving the same notice with respect to the sale of the property under this Mortgage as is required under paragraph 9 of this Mortgage. Furthermore, to the extent permitted by law, in conjunction with, in addition to or in substitution for the rights and remedies available to Mortgagee pursuant to the Commercial Code.

10. Condemnation.

10.1. General. Immediately upon its obtaining knowledge of the institution or the threatened institution of any proceeding for the condemnation of the Mortgaged Property, or any part thereof, Mortgagor shall notify Mortgagee of such fact. Mortgagor shall then file or defend (with legal counsel to be chosen by Mortgagor) its claim thereunder and prosecute same with due diligence to its final disposition and shall cause any awards or settlements to be paid over to Mortgagee for disposition pursuant to the terms of paragraph 4.13 of the Master Indenture.

11. Security Agreement.

11.1. Security Interest. This Mortgage shall be construed, and it shall also constitute and serve as a "Security Agreement" on personal property within the meaning of the Commercial Code and shall constitute a first and prior security interest under the Commercial Code with respect to the Collateral. To this end, Mortgagor has GRANTED, BARGAINED, CONVEYED, ASSIGNED, TRANSFERRED and SET OVER, and by these presents, does GRANT, BARGAIN, CONVEY, ASSIGN, TRANSFER and SET OVER, unto Mortgagee a first and prior security interest in and to all of Mortgagor's right, title and interest in, to, under and with respect to the Collateral to secure the full and timely payment of the Secured Obligations and the full and timely performance and discharge of the Secured Obligations.

11.2. Financing Statements. Mortgagor authorizes Mortgagee to file financing statements and agrees with Mortgagee to execute and deliver to Mortgagee, such Financing Statements and such further assurances as may, from time to time, reasonably be considered necessary to create, perfect and preserve Mortgagee's security interest in this Mortgage granted, and Mortgagee may cause such statements and assurances to be recorded and filed, at such times and places as may be required or permitted by law, to so create, perfect and preserve such security interest. Mortgagor also warrants and represents that Mortgagor has not heretofore authorized the filing of any financing statement directly or indirectly affecting the Collateral or any part of it which has not been completely terminated of record, and no such financing statement is now on file in any public office except only those statements (if any) true and correct copies of which mortgagor has actually delivered to Mortgagee. So long as any amount of the obligations remains unpaid, Mortgagor will not authorize and there will not be filed in any public office any financing statements affecting the collateral other than financing statements in favor of Mortgagee under this Mortgagee.

11.3. Uniform Commercial Code Remedies. Mortgagee shall have all the rights, remedies and recourses with respect to the Collateral afforded to a "Secured Party" by the Commercial Code in addition to, and not in limitation of, the other rights, remedies and recourses afforded by the Bond Documents.

11.4. Fixture Filing. Mortgagor desires and intends that this Mortgage also constitute a Fixture Filing between Mortgagor as debtor and Mortgagee as secured party, as defined in the Commercial Code. To this end, Mortgagor acknowledges that: (i) this Mortgage covers goods which are or are to become fixtures on the Land; (ii) this financing statement is to be recorded; (iii) Mortgagor is the record owner of such property; and (iv) products of fixtures are also covered. Except as otherwise provided in the other Bond Documents, no financing statement in favor of any secured party other than Mortgagee covering the personal property described in this Mortgage or any portion thereof is on file in any public office. Mortgagor shall not remove or permit the removal of the Collateral or any part thereof. Mortgagor represents, as of the Recording Date, that the following information set forth below in paragraphs 11.4.1 through 11.4.5 is true and correct:

11.4.1. The exact Legal Name and address of Mortgagor, as debtor, is: City of Santa Fe, New Mexico, a municipal corporation and political subdivision of the State of New Mexico, 200 Lincoln Avenue, Santa Fe, New Mexico 87501, Attention: [City Attorney].

11.4.2. Description of the types (or items) of property covered by this Financing Statement: all of the Collateral described in paragraph 2.2 of this Mortgage and included as part of the Mortgaged Property.

11.4.3. Description of real estate to which collateral is attached or upon which it is located: Described in Exhibit 2.10.

11.4.4. Mortgagor's chief executive office is located in the State of

New Mexico, and Mortgagor's state of organization is the State of New Mexico.

11.4.5. Mortgagee may file this Mortgage, or a reproduction of this Mortgage, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Mortgaged Property. Any reproduction of this Mortgage or of any other security agreement or financing statement is sufficient as a financing statement.

11.4.6. Name and address of Mortgagee, as secured party: The Bank of New York Mellon Trust Company, National Association, 1775 Sherman Street, Suite 2775, Denver, Colorado 80203, Attention: Relationship Manager.

11.5. Foreclosure of Security Interest. If an Event of Default shall occur, Mortgagee may elect, in addition to exercising any and all other rights, remedies and recourses set forth in paragraph 9 of this Mortgage, to the maximum extent permitted by law to proceed in the manner set forth in the Commercial Code, relating to the procedure to be followed when a security agreement covers both real and personal property.

11.5.1. In the event of a foreclosure sale, the Mortgaged Property may, at the option of Mortgagee, be sold as a whole; and

11.5.2. It shall not be necessary that Mortgagee take possession of the aforementioned Collateral and Leases and Rents, or any part thereof, or be present at the location of such sale.

12. Absolute Assignment of Leases And Rents.

12.1. Assignment. To secure payment of the Secured Obligations, Mortgagor absolutely and irrevocably assigns, conveys and transfers to Mortgagee its rights under (but none of its obligations under) the following:

12.1.1. All Leases and all agreements for the use and occupancy of all or any portion of the Mortgaged Property, with the right, power and authority of Mortgagor to alter, modify or change the terms of such Leases or to surrender, cancel or terminate such Leases without the consent of Mortgagor, together with any and all extensions and renewals thereof including subleases, if any;

12.1.2. Any and all Lessee's obligations and guaranties under any of such Leases; and

12.1.3. The immediate and continuing right to collect and receive all of the Rent now due or which may become due or to which Mortgagor may now or shall hereafter become entitled or may demand or claim; subject in all respects, however, to the limited license granted hereby by Mortgagee to Mortgagor to collect and receive the Rents.

12.2. License from Mortgagee to Mortgagor. Provided that there exists

no Event of Default, Mortgagor shall have the right under a license granted under this Mortgage and Mortgagee grants to Mortgagor a license (but limited by the remedies of Mortgagee set forth in this Mortgage) to collect, but not more than one (1) month in advance, all of the Rents arising from or out of the Leases or any renewals or extensions thereof, or from or out of the Mortgaged Property or any part of the Mortgaged Property.

12.3. Performance under Leases. Mortgagor shall: (i) observe, perform and discharge duly and punctually all and singular the obligations, terms, covenants, conditions and warranties of the Leases; (ii) give prompt notice to Mortgagee of any failure on the part of Mortgagor to observe, perform and discharge the same or of any claim made by the Lessee under any Lease of any such failure by Mortgagor; (iii) enforce, short of termination of the Leases, or secure in the name of Mortgagee the performance of, each and every obligation, term, covenant, condition and agreement in the Leases to be performed by any Lessee; (iv) appear in and defend any action or proceeding arising under, occurring out of or in any manner connected with the Leases or the obligations, duties or liabilities of Mortgagor and any Lessee, do so in the name and on behalf of Mortgagee including upon request by Mortgagee, but at the expense of Mortgagor, and pay all costs and expenses of Mortgagee, including reasonable attorneys' fees and disbursements, in any action or proceeding in which Mortgagee may appear; (v) deliver to Mortgagee upon request (which Mortgagee is not obligated to make) executed copies of all existing and future Leases when executed upon all or any part of the Mortgaged Property, (vi) make, execute and deliver to Mortgagee upon demand, and at any time or times, any and all assignments and other documents and instruments which may be deemed advisable to carry out the true purposes and intent of the assignment set forth in this paragraph 12.

12.4. Execution and Modification of Leases. Mortgagor shall not, without first obtaining the prior written consent of Mortgagee, which shall be granted or withheld only upon Mortgagee's receipt of the written direction of the Holders of a majority in aggregate principal amount of the Bonds: (i) other than Leases which are entered into at market rental rates and are subordinate to the lien of this Mortgage, execute any Lease of all or any portion of the Mortgaged Property; (ii) cancel, terminate or consent to any surrender of any Lease unless otherwise required by Legal Requirements (except a termination which results from the enforcement of such Lease following a bona fide default by the applicable tenant); (iii) materially modify or in any way alter the terms of any Lease; (iv) waive or release the Lessee or any guarantors from any obligations or conditions to be performed by the Lessee under a Lease; (v) consent to any modification of the express purposes for which the Mortgaged Property has been leased; (vi) receive or collect any Rents from any present or future Lessee for a period of more than one (1) month in advance (whether in cash or by evidence of indebtedness); (vii) pledge, transfer, mortgage or otherwise encumber or assign future payments of Rents; or (viii) waive, excuse, condone, discount, set off, compromise, or in any manner release or discharge any Lessee under any Lease of and from any obligations, covenants, conditions and agreements to be kept, observed and performed by such Lessee, including the obligation to pay Rents thereunder, in the manner and at the time and place specified therein.

12.5. Power of Attorney. Subject to the license described and limited above, Mortgagor constitutes and appoints Mortgagee its true and lawful attorney, coupled with an interest, and in the name, place and stead of Mortgagor, to demand, sue for, attach, levy, recover and receive all Rents and any premium or penalty payable upon the exercise by any Lessee under any Lease of a privilege of cancellation originally provided in such Lease and to give proper receipts, releases and acquittances therefor and, after deducting expenses of collection, to apply the net Rents as provided in paragraph 3.01 of the Master Indenture and Mortgagor authorizes and directs any such Lessee to deliver such payment to Mortgagee, in accordance with this Mortgage, and Mortgagor ratifies and confirms all that its said attorney, Mortgagee, shall do or cause to be done by virtue of the powers granted by this Mortgage. The foregoing appointment is irrevocable and continuing and such rights, powers and privileges shall be exclusive in Mortgagee, its successors and assigns, so long as any part of the Secured Obligations remains unpaid and undischarged. A Lessee need not inquire into the authority of Mortgagee to collect any Rents, and its obligations to Mortgagor shall be absolutely discharged to the extent of any payment to Mortgagee. Subject to the license described and limited in paragraph 12.2 of this Mortgage, Mortgagor constitutes and appoints Mortgagee its true and lawful attorney, coupled with an interest, and, in the name, place and stead of Mortgagor, to subject and subordinate at any time and from time to time any Lease or any part thereof to the lien, conveyance and security interest of this Mortgage or to request or require such subordination, where such reservation, option or authority was reserved to Mortgagor under any such Lease, or in any case where Mortgagor otherwise would have the right, power or privilege so to do. The foregoing appointment is irrevocable and continuing and such rights, powers and privileges shall be exclusive in Mortgagee, its successors and assigns, so long as any part of the Secured Obligations secured hereby remains unpaid and undischarged, and Mortgagor hereby warrants that Mortgagor has not, at any time prior to the Recording Date, exercised any such rights, and Mortgagor hereby covenants not to exercise any such right to subordinate any such Lease to the lien of this Mortgage or to any other Mortgage or security agreement or to any ground lease unless requested to do so by Mortgagee.

12.6. No Creation of Mortgagee in Possession. The acceptance by Mortgagee of the assignment provided in this paragraph 12, together with all of the rights, powers, privileges and authority created in this paragraph 12 or elsewhere in this Mortgage, shall not, prior to entry upon and taking possession of the Mortgaged Property by Mortgagee or thereafter, be deemed or construed to constitute Mortgagee a "mortgagee in possession", or at any time or in any event obligate Mortgagee to appear in or defend any action or proceeding relating to the Leases, the Rents or the Mortgaged Property, or to take any action under this Mortgage, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under any Lease, or to assume any obligation or responsibility for any security deposits or other deposits delivered to Mortgagor by any Lessee and not assigned and delivered to Mortgagee, or obligate Mortgagee to lease the Mortgaged Property or attempt to do the same, nor shall Mortgagee be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Mortgaged Property.

12.7. Representations Concerning Leases. Mortgagor represents and warrants that Mortgagor has not previously sold or assigned, transferred, mortgaged or pledged the Leases or the Rents, whether now due or hereafter to become due; and Mortgagor has not done anything which might prevent Mortgagee from or limit Mortgagee in operating under or enforcing the terms hereof.

12.8. Subordination of Mortgage to Leases. It is agreed and understood that Mortgagee hereby reserves the right and shall have the right, at any time and from time to time, but without the consent or joinder of any other party except for the Holders of a majority in aggregate principal amount of the Bonds, to subordinate this Mortgage and the liens, assignments and security interests created by this Mortgage to all or any of the Leases regardless of the respective priority of any of such Leases and this Mortgage. Upon doing so and filing evidence of such subordination in the real property records in the county or counties where the Mortgaged Property is located, a foreclosure of Mortgagee's liens, assignments and security interests under this Mortgage shall be subject to and shall not operate to extinguish any of said Leases as to which such subordination is operative.

13. Miscellaneous.

13.1. Further Assurances. Mortgagor, upon the request of Mortgagee, shall execute, acknowledge, deliver and record and/or file such further instruments and do such further acts as may be necessary, desirable or proper to carry out more effectively the purpose of the Bond Documents and to subject to the liens and security interests thereof any property intended by the terms thereof to be covered thereby, including specifically, but without limitation, any renewals, additions, substitutions, replacements, betterments or appurtenances to the then Mortgaged Property.

13.2. Recording and Filing. Mortgagor shall cause this Mortgage and such other Bond Documents as may be necessary to preserve and perfect the liens and security interests created herein, and all amendments and supplements thereto and substitutions therefor, to be recorded, filed, re recorded and refiled in such manner and in such places as may be required by the Applicable Laws and shall pay all such recording, filing, re-recording and refile taxes, fees and other charges.

13.3. Notices. All notices or other communications required or permitted to be given pursuant to this Mortgage shall be in writing and shall be given as provided in the Indenture.

13.4. No Waiver.

13.4.1. Any failure by Mortgagee to insist, or any election by Mortgagee not to insist, upon strict performance by Mortgagor of any of the terms, provisions or conditions of the Bond Documents shall not be deemed to be a waiver of same or of any other term, provision or condition thereof, and Mortgagee shall have the right at any time or times thereafter to insist upon strict performance by Mortgagor of any and all such terms, provisions and conditions. No delay or omission by Mortgagee,

or by the Owners of the Bonds, to exercise any right, power or remedy accruing upon any breach or Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such breach or Event of Default, or acquiescence therein, and every right, power and remedy given by this Mortgage to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of the Secured Obligations shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the Secured Obligations. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers, or remedies of Mortgagee hereunder.

13.4.2. No act or omission by Mortgagee shall release, discharge, modify, change or otherwise affect the original liability under the Secured Obligations or any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co signer, endorser, surety or guarantor, or preclude Mortgagee from exercising any right, power or privilege in this Mortgage granted or intended to be granted in the event of any Event of Default then made or by any subsequent Event of Default, or alter the security title, security interest or lien of this Mortgage, except as expressly provided in an instrument or instruments executed by Mortgagee. Without limiting the generality of the foregoing, Mortgagee may, subject to Section 7.05 of the Master Indenture and its other rights and protections hereunder: (i) grant forbearance or an extension of time for the payment of all or any portion of the Secured Obligations; (ii) take other or additional security for the payment of the Secured Obligations; (iii) waive or fail to exercise any right granted under the Bond Documents; (iv) change any of the terms, covenants, conditions or agreements of the Bond Documents; (v) consent to the filing of any map, plat or replat affecting the Mortgaged Property; (vi) consent to the granting of any easement or other right affecting the Mortgaged Property; or (vii) take or omit to take any action whatsoever with respect to the Bond Documents or the Mortgaged Property, all without releasing, discharging, modifying, changing or affecting any such liability, or precluding Mortgagee from exercising any such right, power or privilege, or affecting the security title, security interest or lien of this Mortgage. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, Mortgagee, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the Secured Obligations, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing and/or discharging any liabilities, obligations or undertakings.

13.5. Covenants Running with the Land. All obligations of Mortgagor contained in this Bond Documents are intended by the parties to be, and shall be construed as, covenants running with the Mortgaged Property.

13.6. Successors and Assigns. All of the terms of the Bond Documents

shall apply to, be binding upon Mortgagor and Mortgagor's successors, assigns, heirs and legal representatives, and all other Persons claiming by, through or under them and shall inure to the benefit of Trustee and Mortgagee and their respective successors, assigns, heirs and legal representatives, and all other Persons claiming by, through or under them.

13.7. Severability. The Bond Documents are intended to be performed in accordance with, and only to the extent permitted by, all applicable Legal Requirements. If any provision of any of the Bond Documents or the application thereof to any Person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, then neither the remainder of the instrument in which such provision is contained nor the application of such provision to other Persons or circumstances nor the other instruments referred to in this Mortgage shall be affected thereby, but rather, shall be enforced to the greatest extent permitted by law

13.8. Entire Agreement. The Bond Documents contain the entire agreement between the parties relating to the subject matter of the Bond Documents, and all prior agreements relative thereto which are not contained in this Mortgage or the other Bond Documents are terminated.

13.9. Amendment. This Mortgage may not be amended, revised, waived, discharged, released or terminated orally, but only by a written instrument or instruments executed by Mortgagor and Mortgagee. Any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party. Mortgagee shall give such written consent only if (a) such amendment, revision, waiver, discharge, release or termination will not materially adversely affect the interests of the Holders or result in any material impairment of the security given in this Mortgage for the payment of the Bonds, which determination may be based upon an Opinion of Counsel; or (b) Mortgagee first obtains the written consent of the Holders in a majority of the principal amount of the Bonds then outstanding to such amendment, revision, waiver, discharge, release or termination.

13.10. Assignment. This Mortgage is assignable by Mortgagee and any assignment of this Mortgage by Mortgagee shall operate to vest in the assignee all rights and powers in this Mortgage conferred upon and granted to Mortgagee. Immediately following the issuance of the Bonds, all of the Mortgagee's right, title and interest in and to this Mortgage will be assigned to the Trustee, except that Mortgagee retains its rights of inspection and indemnification hereunder.

13.11. Time is of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of Mortgagor under the Bond Documents.

13.12. Counterparts. This Mortgage may be executed in any number of counterparts, each of which shall be an original, but all of which together shall constitute but one instrument.

13.13. Headings. The paragraph headings in this Mortgage are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of this Mortgage.

13.14. Governing Law. This Mortgage shall be construed in accordance with the laws of the State of New Mexico, except to the extent that Federal laws preempt the laws of the of State of New Mexico; provided, however, that all terms of this Mortgage shall be construed as providing the Mortgagee with rights and remedies additional and cumulative to those specified under applicable New Mexico law and shall not be construed in any way as depriving the Mortgagee of any of its rights, privileges or remedies thereunder.

13.15. Limitation on Powers of Attorney. Notwithstanding anything seemingly to the contrary in this Mortgage, no power of attorney granted in this Mortgage authorizes Mortgagee or any other party to waive service of process, confess judgment, or “release errors,” release the right of appeal or consent to the issuance of extension on any judgment on the Secured Obligations.

13.16. Limitation on Indemnity. To the extent, if at all, Section 56-7-1(A) NMSA 1978 is applicable to any agreement by Mortgagor to indemnify Mortgagee or parties related thereto contained in the Agreement such agreement to indemnify shall be subject to and limited by the provisions of such statute.

13.17. Indemnity. Mortgagor shall, at its sole cost and expense, protect, defend (with legal counsel to be chosen by Mortgagor and reasonably acceptable to Mortgagee), indemnify, release and hold harmless the Indemnified Parties (as defined below) from and against any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, fines, penalties, charges, fees, judgments, awards, amounts paid in settlement, punitive damages, foreseeable and unforeseeable consequential damages, of whatever kind or nature (including but not limited to attorneys’ fees and other costs of defense) (the “Losses”) imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following: (i) ownership of this Mortgage, the Mortgaged Property or any interest therein or receipt of any Rents; (ii) any amendment to, or restructuring of, the Secured Obligations, this Mortgage or any other documents securing the Bonds; (iii) any and all lawful action that may be taken by Mortgagee in connection with the enforcement of the provisions of this Mortgage, the Secured Obligations or any of the other documents securing the Bonds, whether or not suit is filed in connection with same, or in connection with Mortgagee becoming a party to a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding; (iv) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Mortgaged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (v) any use, nonuse or condition in, on or about the Mortgaged Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (vi) any failure on the part of Mortgagor to perform or be in compliance with any of the terms of this

Mortgage; (vii) performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof; (viii) any failure of the Mortgaged Property or any use thereof to be in compliance with any applicable laws; (ix) any misrepresentation made by Mortgagor in this Mortgage or any other documents securing the Bonds; or (x) THE NEGLIGENCE OF ANY INDEMNIFIED PARTY, EXCEPT TO THE EXTENT CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ANY INDEMNIFIED PARTY. Any amounts payable to Mortgagee by reason of the application of this paragraph 13.17 shall become immediately due and payable upon demand and shall bear interest at a rate of eight percent (8%) from the date of demand to the date of payment. For purposes of this paragraph 13.17, the term "Indemnified Parties" means Mortgagee, as well as the directors, officers, shareholders, partners, members, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of Mortgagee. This paragraph will survive the termination or foreclosure of this Mortgage and the removal or resignation of Mortgagee as master trustee under the Master Indenture.

14. Environmental Provisions.

14.1. Mortgagor hereby covenants that it will not cause or permit any Hazardous Materials defined as such in (or for purposes of) or subject to regulation under the Environmental Laws to be placed, held, located or disposed of, on, under or at the property of Mortgagor, other than in the ordinary course of business and in compliance with all applicable Environmental Laws. Mortgagor hereby represents and warrants that the Mortgaged Property is not in violation of any applicable Environmental Laws.

14.2. In furtherance and not in limitation of any indemnity elsewhere provided to Mortgagee hereunder and in the Indenture and the Loan Agreement, Mortgagor hereby agrees to indemnify and hold harmless Mortgagee, the Trustee and the owner(s) of the Bonds from time to time from and against any and all losses, liabilities, including strict liability, damages, injuries, expenses, including reasonable attorneys' fees and expenses, costs of any settlement or judgment, costs of investigation, consultants, testing, sampling, cleanup, or defense, and claims of any and every kind paid, incurred or suffered, with respect to, or as a direct or indirect result of, the actual or alleged presence on or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release of any Hazardous Materials (including, without limitation, any losses, liabilities, reasonable attorneys' fees, costs of any settlement or judgment or claims asserted or arising under any federal, State or local Environmental Law, or any other applicable Environmental Law, rule, regulation, order or decree regulating, relating to or imposing liability, including strict liability, or standard of conduct concerning, any Hazardous Materials) regardless of whether or not caused by or within the control of Mortgagor, except where caused by the gross negligence or willful misconduct of any indemnitee.

14.3. If Mortgagor receives any notice of: (a) the happening of any event involving the use (other than in the ordinary course of business and in material

compliance with all applicable Environmental Laws), spill, release, leak, seepage, discharge or cleanup of any Hazardous Materials on any property of Mortgagor or in connection with Mortgagor's operations thereon; or (b) any complaint, order, citation or notice of violation with regard to air emissions, water discharges or any other environmental matter affecting Mortgagor (an "Environmental Complaint") from any person (including, without limitation, the United States Environmental Protection Agency (the "EPA") and the New Mexico Environment Division ("NMED")), then Mortgagor shall immediately notify Mortgagee and the Trustee in writing.

14.4. Mortgagee shall have the right, but not the obligation, and without limitation of Mortgagee's other rights under this Mortgage, to enter the property of Mortgagor or to take such actions as it may deem necessary or advisable to inspect, clean up, remove, resolve or minimize the impact of, or to otherwise deal with, any Hazardous Materials or Environmental Complaint following receipt of any notice asserting the existence on the property of Mortgagor of any Hazardous Materials or an Environmental Complaint pertaining to the property of Mortgagor or any part thereof affecting the Mortgaged Property which, if true, could reasonably be expected to result in an order, suit or other action against Mortgagor and/or the Mortgaged Property and/or which, in the reasonable judgment of Mortgagee, could reasonably be expected to jeopardize its interests under this Mortgage and/or the value of the Mortgaged Property. All reasonable costs and expenses incurred by Mortgagee in the exercise of any such rights shall be payable by Mortgagor to Mortgagee on demand, and if not so paid, shall bear interest until paid at the rate of 6.0% per annum. Mortgagee has no duty or obligation to monitor the ongoing compliance of the Mortgaged Property with Applicable Laws, including, without limitation, Environmental Laws.

14.5. If an event requiring notice under paragraph 14.3 shall have occurred, at the request of Mortgagee, Mortgagor shall perform (at Mortgagor's expense) an environmental audit relating to the matter giving rise to the notice event and, if reasonably deemed necessary by Mortgagee, an environmental assessment (each of which must be reasonably satisfactory to Mortgagee) of the property of Mortgagor, or the hazardous waste management practices and/or hazardous waste disposal sites used by Mortgagor with respect to the property of Mortgagor. The audit and/or environmental assessment shall be conducted by an environmental consultant reasonably satisfactory to Mortgagee, and a copy of the report shall be furnished to Mortgagor. Should Mortgagor fail to perform any environmental audit or risk assessment within 30 days of the written request of Mortgagee, Mortgagee shall have the right, but not the obligation, to retain an environmental consultant to perform any such environmental audit or risk assessment. All reasonable costs and expenses incurred by Mortgagee in the exercise of such rights shall be payable by Mortgagor on demand by Mortgagee, and if not so paid, shall bear interest until paid at the rate of 6.0% per annum.

14.6. The provisions of this paragraph 14 shall survive the termination and release of this Mortgage, except with respect to obligations which arise solely and exclusively as a result of the use, spill, release, leak, seepage or discharge of Hazardous Materials on the property of Mortgagor after such property is no longer

occupied by Mortgagor.

[SIGNATURE PAGE FOLLOWS]

MORTGAGOR:

CITY OF SANTA FE, NEW MEXICO
a municipal corporation and political
subdivision of the State of New Mexico

By: _____
Name: _____
Title: _____

STATE OF NEW MEXICO

COUNTY OF _____

This instrument was acknowledged before me on _____, 2019, by _____, _____, of the City of Santa Fe, New Mexico, a municipal corporation and political subdivision of the State of New Mexico, for and on behalf of said corporation.

Notary Public

My Commission Expires:

EXHIBIT 2.10
(The Land)

EXHIBIT 2.24
(Permitted Encumbrances)