

1.04 Compliance with Laws. The Mortgagor shall comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said Premises or the operation thereof, and shall pay all fees or charges of any kind in connection therewith.

1.05 Insurance.

a. The Mortgagor shall keep all buildings and improvements now or hereafter situated on said Premises insured against loss or damage by fire and other hazards as may reasonably be required by Mortgagee, including, without limitation (i) rent loss or business interruption insurance whenever in the opinion of Mortgagee such protection is necessary; and (ii) flood and earthquake insurance whenever in the opinion of Mortgagee such protection is necessary and is reasonably available at reasonable costs. Mortgagor shall also provide liability insurance with such limits for personal injury and death and property damage as Mortgagee may require.

b. The Mortgagor shall initially maintain, until Mortgagee shall otherwise indicate in writing, fire and extended coverage insurance in the full replacement cost of the buildings, improvements and insurable collateral with not less than 90% co-insurance, and with no deductibles and with "Agreed Amount" and "Inflation Guard" endorsements, which policy shall be written by a company or companies having a Best's rating of A:IX; liability insurance in the amount of at least \$1,000,000 for personal injury to any one person, \$1,000,000 for any one accident and \$1,000,000 for property damage, and rental or business interruption insurance in an amount sufficient to cover any loss of rents or income for the Premises suffered by the Mortgagor for a period of up to six (6) months.

c. All policies of insurance to be furnished hereunder shall be in form, companies and amounts satisfactory to Mortgagee, with Standard Mortgage Clauses attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to the Mortgagee. Mortgagor shall deliver all policies, including additional and renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver renewal policies not less than ten (10) days prior to their respective dates of expiration.

d. The Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a Standard Mortgage Clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies of such insurance. In the event of a foreclosure or other transfer of title to the Premises in lieu of foreclosure, or by purchase at the foreclosure sale all interest in any insurance policies in force shall pass to Mortgagee, transferee or purchaser as the case may be.

1.06 Casualty.

a. Mortgagor shall promptly notify Mortgagee of any loss whether covered by insurance or not. In case of loss or damage by fire or other casualty, Mortgagee is authorized (i) to settle and adjust any claim under insurance policies which insure against such risks, or (ii) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, the Mortgagee is authorized to collect and receipt for any such insurance money. Such insurance proceeds will be held by the Mortgagee without any allowance of interest. Furthermore, insurance proceeds shall be held by Mortgagee who shall apply the proceeds towards the reimbursement of Mortgagor for the cost of rebuilding or restoration of buildings or improvements on said Premises, in accordance with the terms set forth below in subparagraph b only in the event Union Mutual Life Insurance Company ("Union") and Holiday Inns, Inc. extend in writing their respective commitments for a period sufficient to permit the restoration or rebuilding of said buildings or improvements, but in the event Union and Holiday Inns, Inc. do not extend said commitments, Mortgagee shall have the option of applying said proceeds to the outstanding indebtedness owed to the Mortgagee or applying the proceeds towards the