

mechanics', laborers', materialmen's, statutory or other lien (other than any lien for taxes not yet due) to be created upon THE PROPERTY.

2.03.3 Insurance.

(a) Grantor shall at its sole expense obtain for, deliver to, and assign and maintain for the benefit of Holly, during the life of this Deed of Trust, insurance policies in such amounts as Holly may reasonably require, insuring THE PROPERTY against all insurable hazards, casualties and contingencies, naming borrower and Holly as named insureds, and shall pay promptly when due any premiums on such insurance policies and on any renewals thereof. The form of such policies and the companies issuing them shall be acceptable to Holly. All such policies and renewals thereof shall be held by Holly and shall contain a noncontributory standard noteholder's endorsement making losses payable to Holly as its interests may appear. At least fifteen (15) days prior to the expiration date of all such policies, renewals thereof satisfactory to Holly shall be delivered to Holly. Within fifteen (15) days after the anniversary or effective date of each policy, Grantor shall deliver to Holly receipts evidencing the payment of all premiums on such insurance policies and renewals. In the event of loss, Grantor will give immediate written notice to Holly and Holly may make proof of loss if not made promptly by Grantor. In the event of foreclosure of this Deed of Trust or any other transfer of title to THE PROPERTY in extinguishment of the indebtedness and other sums secured hereby, all right, title and interest of Grantor in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee. All such policies shall provide that they shall not be canceled or terminated without at least thirty (30) days prior written notice to Holly.

(b) Except as hereinafter provided, pursuant to its rights granted hereunder in all proceeds from any insurance policies, Holly is hereby authorized and empowered at its option to adjust or compromise any loss under any insurance policies on THE PROPERTY and to collect and receive the proceeds from any such policy or policies and to hold such proceeds without payment or allowance of interest thereon. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Holly alone and not to Grantor and Holly jointly. After deducting from such insurance proceeds any costs and expenses incurred by Holly or the Trustee in the collection or handling of such funds, including without limitation a reasonable attorney's fee, Holly may apply the net proceeds, at its option, either toward restoring THE PROPERTY or, should an Even of Default exist at such time, to hold such proceeds as security for the performance and payment of the obligations of Indemnitors under the terms of the Indemnity Agreement, whether then matured or to mature in the future as a part of the Collateral Fund described in Article V, hereinafter, , or at the option of Holly such sums either wholly or in part may be paid over to Grantor to be used to repair such improvements or to build new improvements in their place, in accordance with such terms, conditions and requirements as may be imposed by Holly, or for any other purpose or object satisfactory to Holly, without affecting the lien of this Deed of Trust for full performance of the obligations secured hereby before such payment took place. Although Holly intends to use its best efforts to collect such payments in a timely fashion, Holly shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure. Any insurance proceeds held for repair, restoration or replacement shall be so held without payment or allowance of interest thereon. The rights of Holly in the proceeds of insurance and the right to direct the application thereof, are subject to the provisions relating thereto contained in the lease to the subject Mortgaged Property. Grantor shall have the right to adjust and