

ARTICLE ISecurity of MortgageSection 1.01. Performance and Indebtedness Secured.

This Mortgage is given to secure (a) the performance by the Mortgagor of the covenants and agreements contained in (i) this Mortgage and (ii) a Collateral Assignment of Rents of the Mortgaged Property of even date (hereinafter referred to as the "Assignment of Rents"), (iii) a Loan Agreement executed by Red Roof of even date herewith (hereinafter referred to as the "Loan Agreement"), and (b) the payment by Red Roof of the indebtedness to the Mortgagee, evidenced by a Promissory Note of even date herewith in the principal sum of One Million Six Hundred Eighty-five Thousand Dollars (\$1,685,000.00) executed by Red Roof and payable to the order of the Mortgagee on or before August 5, 1993, and any future advances of funds made by the Mortgagee to the Mortgagor or on behalf of Mortgagor pursuant to this Mortgage or any instrument executed in connection herewith (hereinafter individually and collectively referred to as the "Note"). This Mortgage shall also secure any and all renewals or extensions of the whole or any part of the indebtedness hereby secured, however evidenced, with interest at such lawful rate as may be agreed upon, and any such renewals or extensions or any change in the terms or rate of interest shall not impair in any manner the validity of or the priority of this Mortgage, nor release the Mortgagor from liability for the indebtedness hereby secured. Reference is hereby made to the Note, Loan Agreement and Assignment of Rents as if set out here at length and incorporated herein.

The Note delivered on even date provides for a variable rate of interest which is based upon an index of United States Treasury securities as described in the Note.