

Notwithstanding the foregoing, the Company shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided the Company shall first deposit with the Beneficiary a bond or other security satisfactory to the Beneficiary in such amount as the Beneficiary shall reasonably require, and provided further that the Company shall thereafter diligently proceed to cause such lien, encumbrance or charge to be removed and discharged.

Section 1.10 Leases. In the event there are any leases of the Properties and the Improvements or any part thereof under which the Company is landlord, the Company shall (i) perform or observe or cause to be performed or observed all covenants or agreements on the part of the lessor thereunder to be performed or observed, and (ii) from time to time furnish to the Beneficiary within fifteen (15) days after demand therefor a written statement containing the names of the lessees, the terms of the leases, the spaces occupied and the rents payable, together with a photostatic copy of each lease not previously furnished to the Beneficiary; and the Company, for any lease having a fixed annual rent in excess of \$10,000 per annum, shall not (x) assign the rents therefrom to anyone other than the Trustee, the Beneficiary or the Bank of America, (y) consent to the cancellation or surrender thereof, or accept a prepayment of rent thereunder beyond two months in advance, or (z) modify the same so as to shorten the term, decrease the rent, accelerate the payment of rent or change the term of any renewal option.

Section 1.11 Actions Affecting Trust Estate. The Company shall appear in and contest any action or proceeding purporting to affect the security hereof or the rights or powers of the Beneficiary or the Trustee; and shall pay within a reasonable time after demand therefor all costs and expenses, including cost of evidence of title and attorney's fees, in any such action or proceeding in which the Beneficiary or the Trustee may appear.

Section 1.12 Actions by Trustee and/or Beneficiary to Preserve Trust Estate. If the Company shall fail to (a) make the payments required by Section 1.08, (b) effect the insurance required by Section 1.05, or (c) perform or observe any of the other covenants or agreements to be performed by it hereunder or under any of the leases of the Ground Lease Parcels or the Leasehold Parcels (as defined in