

Improvements and the Personal Property as provided in Section 1.02, regardless of whether or not there are insurance proceeds available or whether any such proceeds are sufficient in amount, and the application or release by the Beneficiary of any insurance proceeds shall not cure or waive any default or notice of default under this Indenture or invalidate any act done pursuant to such notice.

Section 1.06 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Indenture or other transfer of title or assignment of the Trust Estate in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of the Company in and to all policies of insurance required by Section 1.03 shall inure to the benefit of and pass to the successor in interest to the Company or the purchaser or grantee of the Trust Estate.

Section 1.07 Indemnification; Waiver of Offset.

(a) If the Trustee or the Beneficiary is made a party defendant to any litigation concerning this Indenture or the Trust Estate or any part thereof or interest therein, or the occupancy thereof by the Company, then the Company shall indemnify, defend and hold the Trustee or the Beneficiary harmless from all liability by reason of said litigation, including reasonable attorneys' fees and expenses in any such litigation, whether or not any such litigation is prosecuted to judgment. If the Trustee or the Beneficiary commences an action against the Company to enforce any of the terms hereof or because of the breach by the Company of any of the terms hereof, or for the recovery of any sum secured hereby, the Company shall, to the extent permitted by law, pay to the Trustee or the Beneficiary its reasonable attorneys' fees and expenses, if the Trustee or the Beneficiary, as the case may be, shall be successful in such action.

(b) All sums payable by the Company hereunder or by Plitt Properties under the A Note or by Southern under the B Note shall be paid without notice, demand or deduction and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of the Company hereunder shall in no way be released, discharged or otherwise affected (except as provided herein) by reason of:

(i) any damage to or destruction of or any Condemnation (as defined in Section 1.13) of the Properties, the Improvements