

ARTICLE VII

TAXES AND UTILITY CHARGES

7.1 Taxes and Assessments. Lessee shall pay such taxes and assessments as are required to be paid by Lessee under and pursuant to this Article.

7.2 Ad Valorem Taxes and Assessments. Lessee shall, during the Term, bear, pay and discharge, before the delinquency thereof, all real and personal property taxes and assessments, general and special, if any, sales tax, rent tax or other similiar tax or imposition, which may be lawfully taxed, charged, levied, assessed, or imposed upon or against or be payable for or in respect of the Hotel, or any part thereof, of any improvements at any time thereon or Lessee's interest therein under this Lease, including all water and sewer charges and assessments. In the event any special assessments or similar taxes are lawfully levied and assessed which may be paid in installments, Lessee shall be required to pay only such installments thereof as become due and payable during the Term as and when the same become due and payable. If the same are not payable in installments, Lessee shall nonetheless, be required only to pay such portion of said assessments fairly attributable to the Term hereunder. Anything in this Section to the contrary notwithstanding, Lessee shall, if and to the extent required by the provisions of any Mortgage, deposit up to one twelfth (1/12) of such estimated annual taxes in escrow with the holder of such Mortgage for the payment of such taxes. Any and all funds so deposited by Lessee in any such escrow prior to the proper application thereof to the payment of such taxes, shall be the sole and exclusive property of Lessee, and Lessee shall have the right to recover any excess funds so deposited by it.

7.3 Contesting Impositions. Lessee may, if in good faith it disputes the validity or amount of any utility charge, tax or assessment which Lessee is required to bear, pay or reimburse hereunder, contest the same by appropriate means, but shall indemnify and hold Lessor harmless with respect to any such action. Lessor agrees that any contest or review initiated by Lessee as provided herein may be maintained at the election of Lessee, in the name of Lessee, or in the name of Lessor, or in the name of both, and for that purpose Lessor does hereby constitute Lessee, Lessor's true and lawful attorney-in-fact, which appointment shall be deemed coupled with an interest and is irrevocable. Lessor will not take, or admit to take, any action without Lessee's prior written consent, which would impair or adversely affect Lessee's right or ability to contest any charge, tax or assessment pursuant to this Section. Lessor agrees to join in any such contest or review if required by law or regulations and further agrees to execute and acknowledge such documents, instruments, assents and other papers as may be required or necessary, provided the expense thereof is paid by Lessee. The legal proceedings referred to in this Section which may be prosecuted by Lessee shall include appeals from any judgments, decrees, or orders and such review of determinations of any administrative bodies and officers as may be appropriate. Lessor will instruct taxing authorities to send all real estate tax notices and bills to it in care of the Lessee at Lessee's address.

7.4 Lessor's Taxes. It is expressly agreed that the Lessee shall not be obligated to pay any income tax, or other similar tax or charge that may be payable by or chargeable to Lessor under any present or future law of the United States, or of the State,