

such repair, restoration or reconstruction or the entire insurance proceeds if Mortgagor has not elected to so repair, restore or reconstruct, shall be retained by Mortgagee and used to pay payments due pursuant to Section 4.3 of the Agreement with respect to the principal of the Note. The Mortgagor will execute and deliver to the Mortgagee on demand such assignments and other instruments as the Mortgagee may require for such purposes.

4. REMOVAL, DESTRUCTION OR ABANDONMENT OF MORTGAGED PROPERTY: The Mortgagor will not remove, demolish or structurally alter any of the Improvements, or remove, destroy or replace any of the Fixtures without the prior written consent of the Mortgagee, which consent shall not be unreasonably withheld or delayed; provided, however, that the Mortgagor shall have the right, without Mortgagee's prior approval, if the exercise of such right does not constitute a default under the terms of the First Mortgage, to (a) make alterations to the Improvements in an amount not to exceed Twenty-five Thousand Dollars (\$25,000), and (b) to remove, from time to time, any Fixtures which have become worn out or obsolete provided such removal does not materially reduce the fair market value of the Mortgaged Property below its value immediately before such removal. Any Fixtures installed to replace such removal Fixtures shall immediately become subject to the lien of the Mortgage without any further action on the part of the Mortgagor. The Mortgagor shall have the privilege of making such additions to the Mortgaged Property or any part thereof from time to time as it in its discretion may determine to be desirable for its uses and purposes, provided that (a) the fair market value of the Mortgaged Property is not reduced below its value immediately before such addition and the usefulness, structural integrity or operating efficiency of the Mortgaged Property is not impaired, (b) such addition is effected with due diligence, in a good and workmanlike manner and in compliance with all applicable legal requirements and (c) in the case of additions the estimated cost of which exceeds \$75,000.00, such additions are made under the supervision of an independent architect and in accordance with plans and specifications approved in advance by the Mortgagee, which approval shall not be unreasonably withheld or delayed and only after the Mortgagor shall have furnished to the Mortgagee, if requested, a labor and materials payment bond, or other security, satisfactory to the Mortgagee. The Mortgagor will not abandon the Mortgaged Property or cause or permit any waste to the Improvements or the Fixtures.