

thereof having been made in accordance with the provisions of the Indenture) the Project is destroyed or is damaged in whole or in part by fire or other casualty to such extent that the claim for loss under the insurance policies required to be carried pursuant to Section 6.01 hereof resulting from such destruction or damage is in excess of \$5,000, the Company shall promptly give written notice thereof to the Trustee. All proceeds of insurance resulting from such claims for losses in excess of \$5,000 shall be paid to and held by the Trustee in a separate trust account, whereupon (i) the Company shall proceed promptly to repair, rebuild or restore the property destroyed or damaged to substantially the same condition thereof as existed prior to the event causing such destruction or damage with such changes, alterations and modifications (including the substitution and addition or other property) as may be desired by the Lessee and as will not impair operating unity or capacity or the character of the Project as a warehouse and distribution facility, and (ii) the Trustee will apply so much as may be necessary of the proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration, either on completion thereof or as the work progresses.

In the event said proceeds are not sufficient to pay in full the costs of such repair, rebuilding or restoration, required by either of the two foregoing paragraphs, the Company will nonetheless complete said work and will pay that portion of the costs thereof in excess of the amount of said proceeds.

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