

at its expense, and if Lessee is not at the time in default under the Lease, permit Lessee at its expense to, make such alterations of and improvements and additions to (such alterations, improvements or additions being hereafter sometimes referred to as "construction") the buildings, improvements and building service equipment included in the Trust Estate as the Company or Lessee, as the case may be, deems necessary or desirable in connection with the requirements of its business, including, without limiting the foregoing, the right (a) to increase or reduce the height of any present or future building on the Trust Estate or any part thereof, (b) to break through, remove or leave out walls of any present or future building or any part thereof, (c) to demolish any present or future building or any part thereof, provided that, in the case of demolition of any building or buildings, Lessee shall erect in substitution therefor a new building or buildings which may be so constructed, if the Lessee shall so desire, as to be connected with any building or buildings or part thereof then standing upon or to be erected upon the Property, and (d) to connect any such building with any adjoining building or buildings or part thereof, *provided*, as to each connection,

(1) that the wall, at the place of connection, of the building on any Property shall be an independent wall with an opening or openings;

(2) that the connection with the other building, while substantial enough to perform its functions and to be weatherproof, can be completely removed, and the opening in the independent wall blocked up, without requiring substantial structural changes, alterations or repairs to the building on such Property;

(3) that no such connection or the use thereof shall operate to create or permit any adverse right or rights in or over one property in favor of the other property or any person, firm or corporation interested in such other property; and

(4) in the event of termination of the Lease for any reason other than the purchase by Lessee of such Property, then the Company shall cause Lessee at Lessee's expense, to remove at least such of the connections as the Company shall designate, and, in the case of each removal, block up the opening in the wall to the Company's satisfaction.

The Company will not authorize, permit or make any construction on any Property included in the Trust Estate except in conformity with and subject to the foregoing provisions of this Section 3.16 and the following limitations and conditions:

(A) No construction shall be undertaken or carried on until the Company or Lessee shall have procured and paid for, so far as the same may be required, from time to time, all municipal and other governmental permits and authorizations of the various municipal departments and governmental subdivisions having jurisdiction which are required for the completion of such construction.

(B) Any construction shall, when completed, be of such character as not to reduce the value, utility and structural integrity of the Property below its value, utility and structural integrity immediately before such construction.

(C) All work done in connection with any construction shall be done promptly and in good and workmanlike manner and in compliance with the building and zoning laws of the municipality or other governmental subdivision wherein the subject Property is situated and with all laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments and the appropriate departments, commissions, boards and officers thereof, and in accordance with the orders, rules and regulations of the National Board of Fire Underwriters or any other body now or hereafter constituted exercising similar functions. Any such construction shall be conducted in such a manner that the Trust Estate shall at all times be free of vendors', mechanics', laborers', materialmen's, statutory or other similar liens. The Company shall maintain, or cause Lessee to maintain, liability and workmen's compensation insurance in respect of any construction complying with the amounts and other terms set forth in Section 3.19.

(D) All construction shall be conducted under the supervision of a qualified architect or engineer and in the case of construction involving an estimated cost of more than \$200,000 detailed plans and specifications, with cost estimates therefor, prepared and approved in writing by such architect or engineer, shall have been filed with the Trustee before commencement of the work.