

liability with respect to which such insurance proceeds shall have been paid.

SECTION 7. Advances by the Bank. In the event that the Company shall fail to maintain the full insurance coverage required by this Mortgage or shall fail to keep the Mortgaged Property in good repair and good operating condition, the Bank may (but shall be under no obligation to) take out the required policies of insurance and pay the premiums on the same or make the required repairs, renewals and replacements; and all amounts so advanced therefor by the Bank shall become an additional obligation of the Company to the Bank, which amounts, together with interest thereon at the Penalty Rate from the date of advancement thereof until paid, the Company agrees to pay immediately upon request.

SECTION 8. Damage and Destruction. (A) If prior to the full payment of the Note the Project is damaged by fire or other casualty the Company shall:

(1) Promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition thereof as existed prior to the event causing such damage or destruction or cause the same to be done with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Company and as will not adversely affect the use of the Project for the purpose for which it is intended; and

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