

pose, promptly commence and diligently commence (subject to Unavoidable Delays) the restoration, replacement or rebuilding of the Property as nearly as possible to its value, condition and character immediately prior to such damage or destruction, with such further alterations, additions and other improvements as may be made at Color Tile's election pursuant to and subject to the conditions of Section 8 (such restoration, replacement, rebuilding, alterations, additions and other improvements, together with any temporary repairs and property pending completion of the work being herein referred to as "Restoration").

17.3. Casualty Destruction. In the event of a destruction of the Improvements as to which notice of termination of the Net Lease, including an offer to purchase the Property, is given by Color Tile pursuant to Section 14(b) of the Net Lease (herein called a "Total Destruction"), (a) the Partnership will within 5 days after the receipt of such notice of termination and offer to purchase, furnish a copy of such notice to the Company, and (b) the Partnership will prepay, on the date fixed for purchase of the Property by Color Tile, the Partnership Note pursuant to Section 9 hereof, to the extent and in the amount determined as set forth in Schedule D hereto as to the Property.

17.4. Application of Insurance Proceeds. All Net Insurance Proceeds shall be paid to the Company and all such proceeds may at the option of the Company be applied to payment of the indebtedness secured hereby and the interest accrued thereon in such order as the Company in its sole discretion shall determine or be released in whole or in part to the Partnership. Notwithstanding anything in this Deed of Trust to the contrary, so long as the Net Lease is in full force and effect and no Event of Default thereunder exists, insurance proceeds shall be applied as in the Net Lease provided.

18. Taking of Property. 18.1. The Partnership to Give Notice; Assignment of Awards, etc. In the event of a Taking of the Property or any part thereof, or the commencement of any proceedings or negotiations which might result in any such Taking, the Partnership will give prompt written notice thereof to the Company, generally describing the nature and extent of such Taking or the nature of such proceeding or negotiations and the nature and extent of the Taking which might result therefrom, as the case may be. The Partnership and Supermart hereby irrevocably assign, transfer and set over to the Company all rights of the Partnership and Supermart to any award or payment on account of any Taking, to be applied in accordance with Section 18.4. No settlement of any claim may be made by the Partnership or Supermart without the prior written approval of the Company. The Partnership and Supermart will, in good faith and with due diligence, file