

other reputable institutional lender and such mortgagee agrees that, in the event of any loss thereunder, it shall apply the proceeds in accordance with the terms of this Agreement and the Operating Agreement.

Section 7.02. Certificates of Insurance. Each party shall deliver to the other or its mortgagee, upon request, certificates of the insurance required to be maintained under this Article VII and, from time to time, evidence of the renewal of such insurance. Each certificate of insurance shall stipulate thereon that the insurance evidenced thereby shall not be materially reduced or cancelled unless ten (10) days prior written notice shall have been given by the insurer to the Developer and Penney.

Section 7.03. Other Requirements. Either party hereto may carry any insurance required to be maintained under this Article VII, either in whole or in part, under a "blanket policy" which covers other properties of such party. Either party hereto which has a net worth of more than \$40,000,000 or has the performance of its obligations hereunder guaranteed by a corporation which has such a net worth may carry any insurance required to be maintained under this Article VII, either in whole or in part, under any plan of self-insurance which such party may have in effect. The party which elects to self-insure pursuant to this Section 7.03 shall demonstrate to the reasonable satisfaction of the other party that the networth requirements under this Section 7.03 are met and, so long as such party continues to self-insure, demonstrate, on an annual basis, that said networth requirements are maintained.

ARTICLE VIII

ALTERATIONS

Section 8.01. Alterations. The Developer and Penney may make such alterations to their respective Facilities as