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exercise its option to purchase pursuant to, the provisions of Section 11.2(a) hereof, if prior to full payment of the Notes 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 6.4(a) hereof resulting from such destruction or damage is in excess of \$100,000 the Lessee shall promptly give written notice thereof to the Mortgagee. All Net Proceeds of insurance received by the Lessee resulting from such claims for losses in excess of \$100,000 shall be paid to and held by the Mortgagee in a separate trust account, whereupon (i) the Lessee will proceed promptly to 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 with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not adversely affect the use of the Project for the purpose for which it is intended, and (ii) the Mortgagee will apply so much as may be necessary of the Net Proceeds of such insurance to payment of the costs of such repair, rebuilding or restoration, upon request made by Lessee to the Mortgagee no more often than monthly accompanied by lien waivers through the last previous request.

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