

which, or the validity of which, are being contested as provided in said Section 1.09; and

(4) Easements, rights of way, restrictions and other minor defects and irregularities in the title to the Property which do not materially impair the use or materially affect the value of the Property for the purposes for which it is held by the Lessee.

SECTION 4.02. For the purpose of financing additional improvements to the Property completed within one year of the date of issuance thereof, the Company may from time to time issue and sell Improvement Notes (herein called Improvement Notes) in an aggregate amount, at any one time, of not less than \$100,000. Improvement Notes shall mature on or before the maturity date of the Note, shall be payable in equal quarter-annual instalment payments in an amount such that, upon the due payment of all such instalment payments there shall have been paid to the holders thereof 90% of the principal amount thereof, together with accrued interest thereon, and shall be secured by this Mortgage and by the Assignment ratably with the Note. Improvement Notes shall be issued only if (i) the Lessee shall have completed such construction and requested reimbursement therefor and shall have complied with the applicable requirements of the Lease, (ii) the Lease shall have been amended to provide for an increase in the Basic Rent by an amount sufficient to pay the instalment payments on such Improvement Notes and to provide for increases in the respective purchase prices set forth in Schedule C thereto by amounts sufficient to pay the unpaid principal amount of the Improvement Notes in the event of the termination of the Lease by the Lessee, and (iii) the aggregate principal amount of Improvement Notes issued on any date shall not be in excess of the Lessee's unreimbursed expenses as certified by the Lessee, plus the reasonable expenses incurred by the Company in connection with the issuance of the Improvement Notes. In the event of the issuance and sale of Improvement Notes, the Company and the Mortgagee shall enter into such modifications of this Mortgage and the Assignment and shall execute and deliver such other documents as may be appropriate