

operate the same and, subject always to the observance of the covenants and agreements in this Mortgage with respect thereto, to receive, receipt for, take, use, enjoy, and dispose of all rents, issues, income and profits thereof in the same manner and with the same effect as if this Mortgage had not been made.

Section 3.02. Alterations, Replacements or Changes of Mortgaged Property. No building or other property now or hereafter constituting the Mortgaged Property and covered by the lien of this Mortgage shall be removed, demolished or materially altered without the prior written consent of the Mortgagee, except that Red Roof shall have the right, without such consent, (a) to remove and dispose of, free from the lien of this Mortgage, personal property as may from time to time become worn out or obsolete, provided that, either (i) simultaneously with or prior to such removal, any such personal property shall be replaced with other property of a value at least equal to that of the replaced property and free from chattel mortgage, security interest or other encumbrances and from any reservation of title, and by such removal and replacement the Mortgagor shall be deemed to have subjected such property to the lien of this Mortgage, or (ii) any net cash proceeds received from such disposition shall be paid over promptly to the Mortgagee, to be applied to the last installments due on the indebtedness secured, and (b) to make capital improvements on the Real Estate during any twelve (12) month period which do not cost in excess of ten percent (10%) of the face amount of the Note.