

desired by the Corporation and will be suitable for continued operation of the Facilities, and the Corporation thereof and be entitled to be reimbursed for such costs from the net proceeds of the condemnation award or insurance claim.

(b) If the net proceeds of the condemnation award or insurance claim exceed \$100,000, all net proceeds of the condemnation award or insurance claim shall be paid directly to the Bank, and the Bank shall, at its option, apply the net proceeds to payment of the costs of repair, replacement, rebuilding or restoration of the Facilities or to the payment of the obligations secured hereby. If the net proceeds are not sufficient to pay such costs in full, the Corporation will nonetheless, at the demand of the Bank, complete the same and will pay that portion of the cost thereof in excess of the amount of the net proceeds.

(c) The Corporation shall not, by reason of the payment of any costs of repair, rebuilding, replacement or restoration, be entitled to any reimbursement from the Bank or any diminution or postponement of the payments required to be made by the Corporation under the Reimbursement Agreement. Any balance of net proceeds remaining after payment of all costs of any repair, rebuilding, replacement or restoration and payment of the obligations secured hereby shall be paid to the Corporation.

(d) All buildings, improvements and equipment acquired in the repair, rebuilding, replacement or restoration of the Facilities, together with any interests in real property acquired by the Corporation as necessary for such restoration, shall become part of the Facilities subject to the Mortgage and available for use and occupancy by the Corporation. The Corporation shall do all things necessary to subject such property to the lien of the Mortgage. No such property shall be acquired subject to any lien or encumbrance, other than Permitted Encumbrances.

Section 4.2 Condemnation of Other Property Owned by the Corporation. The Corporation shall be entitled to the Net Proceeds of any condemnation award or portion thereof made for the destruction of, damage to or taking of its property not included in the Facilities or that is not collateral for the obligations secured hereby.

ARTICLE V
WARRANTIES OF THE CORPORATION
AND OTHER AGREEMENTS

Section 5.1 Defense of the Title. The Corporation covenants that it is lawfully seized and possessed of title in fee simple to the Land; that it has good right to sell, convey or otherwise transfer or encumber the same; and that the Corporation, for itself, and its successors and assigns, warrants and will forever defend the right and title to the foregoing

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