

shall be so much additional indebtedness secured hereby and shall be reimbursed to the Mortgagee upon demand.

(b) In the event of any insured damaged to or destruction of the Property or any part thereof (hereinafter referred to as an "Insured Casualty"), and if, in the reasonable judgment of Mortgagee, the Property can be restored to an economic unit not less valuable than the same was prior to the Insured Casualty, and adequate securing of the outstanding balance of the Wrap Note and all sums due thereunder, then, if no default shall have occurred hereunder and be then continuing, the proceeds of insurance shall be applied to reimburse the Mortgagor for the cost of restoring, repairing, replacing or rebuilding the premises or a part thereof subject to the Insured Casualty; and the Mortgagor hereby covenants and agrees forthwith to commence and diligently to prosecute such restoring, repairing, replacing or rebuilding.

(c) Except as provided in subparagraph (b) of this Article, and subject to the rights of the holders of the Prior Notes, the Mortgagee may apply the proceeds of insurance consequent upon any Insured Casualty upon the Wrap Note, with such sum being applied first to Mortgagee's expenses with respect to such casualty, then to accrued interest and then to principal.

Sixth: CONDEMNATION. The Mortgagor hereby assigns, transfers and sets over unto the Mortgagee, subject to the rights, if any, of the holders of the Prior Notes, the entire proceeds of any award or claim for damages for all or any portion of the Property taken or damaged under the power of eminent domain or by condemnation, including, without limitation, any payments in lieu of and/or in settlement of a claim or threat of condemnation and payments made as a result of condemnation. The Mortgagee may elect to apply the proceeds of the award or the payments, as the case may be, upon or in reduction of the Wrap Note, or require the Mortgagor to restore or rebuild the premises, in which event, the proceeds shall be used to reimburse the Mortgagor for the cost of such rebuilding or restoring. If, in the reasonable judgment of the Mortgagee, the Property can be restored to an economic unit not less valuable than the same was prior to the condemnation as aforesaid and adequately securing the outstanding balance of the Wrap Note, the award shall be used to