

Section 2.2(b) shall be applied toward the pro-rata reduction of the quarter-annual installments of principal due on the Term Note. Upon receipt of such partial prepayment, the Mortgagee shall cause the affected Property to be released from this Mortgage and the applicable Individual Mortgage as provided in Article XXIV hereof.

(c) The amount of any insurance proceeds or awards held by the Mortgagee or Mortgagor and not required to be paid to, or upon the direction of, Lessee pursuant to the provisions of Section 17.3(a) of the Leases shall be applied in partial prepayment of the Note, without premium, on the date of receipt thereof. Each partial prepayment of the Term Note pursuant to this Section 2.2(c) shall be applied toward the pro-rata reduction of the quarter-annual installments of principal due on the Term Note.

#### ARTICLE III

3. Individual Mortgages. In order to more fully secure the payment of the indebtedness which this Mortgage secures, the Company will cause an appropriate individual mortgage of, or a deed of trust or other security instrument in, each Property to be executed to or for the benefit of the Mortgagee and recorded in the jurisdiction in which each Property is located (collectively the "Individual Mortgages" and individually an "Individual Mortgage"). The Individual Mortgages will (a) conform to the requirements of local law, (b) incorporate by reference the provisions of this Mortgage, as the same may be supplemented or amended, and (c) have annexed thereto as an exhibit a copy of this Mortgage and, when applicable, the Mortgage Supplement. In the event there exist any inconsistencies between the provisions of the Individual Mortgages and this Mortgage, the provisions of this Mortgage to the extent permitted by law shall govern and shall be controlling.

#### ARTICLE IV

4. Representations and Warranties. In order to induce the Mortgagee to purchase the Notes, the Company represents and warrants that it (a) has full power, authority and legal right to execute and deliver this Mortgage, the Mortgage Supplement and the Individual Mortgages and to