

(\$8,750.00) DOLLARS as a replacement reserve for furniture, fixtures and equipment. This monthly deposit shall be increased annually by the change in the Consumer Price Index during the preceding year. So long as no Default exists hereunder, or under the Note, funds may be withdrawn from this reserve escrow account by Mortgagor no more frequently than once during any three-month period so long as an itemized breakdown of expenditures, satisfactory to Mortgagee, certified by an officer of Mortgagor, is furnished to Mortgagee. Deposits to this reserve escrow account shall not be, nor be deemed to be, trust funds but may be commingled with the general funds of Mortgagee. In addition, it is agreed that the annual audited financial statements required to be furnished in accordance with Article 1.14 hereof shall show all expenditures by Mortgagor for furniture, fixtures and equipment, and such expenditures must equal all withdrawals from this reserve account made during the period covered by such statements. Upon any Default in the provisions of this Mortgage or the Note, or any instrument evidencing, securing or in any way related to the Indebtedness, Mortgagee may, at its option, apply any money in the fund resulting from said deposits to the payment of the Indebtedness in such manner as it may elect.

1.06 Condemnation. If all or any portion of the Premises or City Project (after completion of improvements thereon and acceptance of possession thereof by Mortgagor) or both of them shall be damaged or taken through condemnation (which term when used in this Mortgage shall include any damage or taking by any governmental or quasi-governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, then the entire Indebtedness shall, at the option of Mortgagee, immediately become due and payable. Mortgagor, immediately upon obtaining knowledge of the institution, or the proposed, contemplated or threatened institution, of any action or proceeding for the taking through condemnation of the Premises or City Project (after completion of improvements thereon and acceptance of possession thereof by Mortgagor) or any part thereof will notify Mortgagee, and Mortgagee is hereby authorized, at its option, to commence, appear in and prosecute, through counsel selected