

ance with the standards in the community in which the Property is situated for a project of similar type and quality, then the following provisions shall apply:

(a) If the Net Capital Expenditure is guaranteed by a licensed contractor to be not more than Fifty Thousand (\$100,000) Dollars as to any single event of casualty or condemnation damage or any series of defects discovered during a consecutive twelve (12) month period, then the Mortgagor may, at its option, have the work performed and the actual unrecovered cost thereof up to a maximum of Fifty Thousand Dollars (\$100,000) shall be deemed an Expense in computing Net Cash Flow.

(b) If the estimate for the corrective work indicates a Net Capital Expenditure of more than Fifty Thousand (\$100,000) Dollars as to such event or series, then the Mortgagee shall elect either to have said work performed and pay the cost thereof which shall be added to the principal balance secured by the Note, or, if the Mortgagee elects not to perform such work, then the Mortgagor may either (i) perform such work, bearing such Net Capital Expenditure at its sole cost and expense by capital contributed by the Mortgagor and, to the extent it exceeds \$100,000 the cost shall not be deemed an Expense or (ii) cause the Mortgagee to purchase the Property from the Mortgagor in accordance with the Section 22 Purchase Procedure defined in paragraph F of this Section 22.

E. Additions to Principal. Additional Advances and costs paid by the Mortgagee under item (b) of paragraph D of this Section 22 shall be added when made to the outstanding principal under the Note, and shall bear interest from such date, payable as and when provided therein.

F. Section 22 Purchase Procedure. Any purchase of the Property by the Mortgagee shall be closed (herein called the Section 22 Purchase Procedure) substantially in accordance with the procedures established under the Purchase Letter Agreement dated as of September 13, 1983, between the Mortgagee and the Mortgagor (the "Purchase Letter Agreement"), as modified hereby. Subject to the requirement for a minimum cash payment specified below, the purchase price shall be an amount equal to the sum of:

(a) The outstanding principal and accrued interest balances, if any, of the Note;

(b) The amount of any Advance Interest Payments and any payments or prepayments of principal made by the Mortgagor against the obligation of the Note; and

(c) The amount of any Net Capital Expenditures in excess of \$100,000 made by the Mortgagor and not deemed an Expense.

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