

by Mortgagee in full faith and credit obligations of the United States Government that have maturities of 270 days or less. All fees and expenses of the Investor Institution for investing the Proceeds shall be paid out of income earned on the Proceeds. The Investor Institution, upon the direction of Mortgagee, shall, as hereinafter provided in Section 1.10(b), apply such Proceeds and all income remaining from the investment thereof after such fees and expenses have been paid.

(b) All proceeds received by the Mortgagee on account of any Condemnation of the Property or any part thereof (less the reasonable costs, fees and expenses incurred by the Mortgagee in the collection thereof, including without limitation attorneys' fees and expenses) and all income earned on such proceeds in accordance with Section 1.10(a) (such remaining proceeds and income earned thereon being hereinafter called "Net Condemnation Proceeds") shall be applied as follows:

(i) Mortgagee may elect to (a) retain the Net Condemnation Proceeds and apply them first to the prepayment of the Note, second to the payment of any other indebtedness that is secured by this Mortgage and third, to the extent proceeds remain after the foregoing payments, to Mortgagor, or (b) allow the Mortgagor to restore the Improvements. Mortgagee's election to allow Mortgagor to restore the Improvements is subject to the following provisions of this Section 1.10(b). Mortgagor shall furnish to Mortgagee evidence satisfactory to Mortgagee of the total cost of restoration, replacement or rebuilding of the remainder of the Property as nearly as possible to its value, condition, and character prior to condemnation (such restoration, replacement and rebuilding together with any temporary repairs and property protection pending completion of the work, being herein called "Restoration") and that the remainder of the Property so restored will be able to be operated efficiently and economically for substantially the same purposes as those for which the Property is used at the date of Condemnation and evidence reasonably satisfactory to the Mortgagee that it has available and will upon Mortgagee's direction deposit with the Investor Institution the total amount of money which, when added to the Net Condemnation Proceeds on hand, shall be sufficient to pay the cost of Restoration. If the Lease or the Improvements Lease has terminated or if the cost of Restoration exceeds the Net Condemnation Proceeds, then Mortgagor shall have no obligation to so restore the Improvements and Mortgagee shall pay all Net Condemnation Proceeds received by it first to the prepayment of the Note,