

I.11 CONDEMNATION. If all or any substantial part of the premises shall be damaged or taken through condemnation (which term when used in this Mortgage shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness secured hereby shall, at the option of the Mortgagee, become immediately due and payable. If a part of the premises shall be taken or damaged through condemnation, the Mortgagor will promptly restore, repair or alter the remaining property in a manner satisfactory to the Mortgagee. Subject to the rights of the holder of the Jefferson Standard Mortgage, the Mortgagee shall be entitled, at Mortgagee's option, to commence, appear in and prosecute, in its own name or in the Mortgagor's name, any action or proceeding relating to any such condemnation. Any such compensation, awards, damages, claims, rights of action and proceeds are hereby collaterally assigned by the Mortgagor to the Mortgagee, subject to any prior rights of the holder of the Jefferson Standard Mortgage thereto, and the Mortgagee may release any moneys so received by it without affecting the lien of this Mortgage. Any moneys payable as a result of any taking or threatened taking shall (subject to the prior rights of the holder of the Jefferson Standard Mortgage) be payable jointly to Mortgagor and Mortgagee and, provided that Mortgagee is not in default hereunder, shall be applied by Mortgagor in restoration of the premises, where restoration is required under any applicable lease or, if there is no applicable lease, to a usable condition. In any single instance where the moneys payable as a result of such taking or threatened taking are less than \$10,000 and Mortgagor is not in default hereunder, such moneys may be paid over to Mortgagor. In all other instances, Mortgagee may apply any balance remaining after restoration of the premises as permitted herein in such manner as the Mortgagee shall determine, to the reduction of the sum secured hereby and to any expenses, including attorneys fees, incurred by the Mortgagee in such proceedings. The balance of any such moneys then remaining shall be paid to the Mortgagor. The Mortgagor agrees to execute such further assignment of any compensation, awards, damages, rights of action and proceeds as the Mortgagee may require consistent with the provisions of this Article I.11.

ARTICLE II.

II.1. EVENT OF DEFAULT. The term "default" or "event of default" wherever used in this Mortgage shall mean any one or more of the following events:

(a) Failure by the Mortgagor (i) to pay the principal on the Note, as and when due, (ii) to pay Stipulated Interest and the sum of the accrued, unpaid Stipulated Interest totals at least Three Million Dollars (\$3,000,000) or (iii) to remit Available Cash in payment of Stipulated Interest due under the Note; or

(b) Failure by the Mortgagor to duly observe any other covenant, condition or agreement of this Mortgage, the Assignment of Lessor's Interest in Leases also executed of even date by Mortgagor, as owner, to Mortgagee, as assignee, to secure the repayment of the Note, or any other loan instrument evidencing or securing the indebtedness described herein; or