

the first insurance proceeds are required to be made available to the mortgagor or then owner of the Mortgaged Premises pursuant to subparagraph (a) of this paragraph. The foregoing provision shall be effective only if the mortgagor or the then owner of the premises shall, with reasonable diligence, proceed to so restore such improvements. The provisions of this subparagraph (b) are subject to the rights of the holder of the Purchase Money Wraparound Mortgage.

(c) The complete or partial taking of the Mortgaged Premises in condemnation or by right of eminent domain shall be deemed to be a sale thereof for purposes of this Wraparound Mortgage, and in such event the provisions of section 12 hereof shall be applicable.

(d) In the event of a complete or partial taking of the Mortgaged Premises in condemnation or by right of eminent domain, whether or not resulting in damage or destruction, if the mortgagor continues to operate (at its sole option) the Mortgaged Premises, then this Wraparound Mortgage shall cease to be amortized and shall thereafter bear interest at such rate which represents the difference between the rate set forth in paragraph 29 hereof and the rate paid by the condemning authority or authority exercising such right of eminent domain.

(e) In the event of a partial taking of the Mortgaged Premises in condemnation, which taking substantially reduces ingress to and egress from the Mortgaged Premises, the making of all payments required to be made by the mortgagor shall be suspended pending restoration of such ingress and egress.

(f) The holders of this Wraparound Mortgage shall be entitled to retain at their sole cost and expense, separate legal counsel in connection with any condemnation proceeding affecting the Mortgaged Premises; provided, however, that the expense of such counsel shall not detract from any award of counsel fees to the owner of the Mortgaged Premises.

38. Mortgage default cure; reimbursement therefor. In the event of a default in the performance or observance of any of the covenants or conditions on the part of the mortgagor to be performed or observed, the mortgagee may, at its option, perform the same, and the expense thereof, together with interest at 12% per annum (or lesser percentage, not exceeding the maximum rate legally collectible, if 12% exceeds the maximum legal rate) from the date the expense is incurred until date of reimbursement by the mortgagor to the mortgagee, shall immediately be paid and payable from the mortgagor to the mortgagee, and be secured by this Wraparound Mortgage.

39. Financial and operating reports. The mortgagor will furnish to the mortgagee, within 30 days after the mailing

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