reserve must be derived from operating gross receipts and actually reserved and not exceed $10,000 during each year through 1988 and $25,000 for each year thereafter; and in no event shall the amount accumulated for such reserve exceed $100,000 at any one time without the prior written consent of Mortgagee.

(3) Pursuant to a certain Pledge Agreement of even date herewith executed by Mortgagor in favor of Mortgagee, Mortgagor is obligated to deposit with Mortgagee, from time to time certain amounts as a reserve, for capital improvements and replacements. On the Maturity Date, Mortgagee shall be entitled to retain, as additional Income Interest hereunder, an amount equal to sixty percent (60%) of the then outstanding balance of such reserves.

(4) Based upon the Mortgagor's annual financial statements, the Adjusted Cash Flow shall be averaged over the calendar year covered by such statements and the amount of Income Interest payable quarterly during such calendar year shall be recalculated based upon the average Adjusted Cash Flow. If any additional sums are due to Mortgagee as a result of the recalculation, such amount shall be due and payable on May 1st of the year following the calendar year concerned; and if Mortgagor has overpaid as a result of the recalculation,, such amount shall be credited to the Income Interest payment otherwise due on May 1st of the year following the calendar year concerned, with surplus credit, if any, to be credited to successive Income Interest payments due hereunder.

(5) For any partial year by reason of the occurrence of the Maturity Date, Adjusted Cash Flow for such partial year shall be based upon the amount of Adjusted Cash Flow received during such year up to and including the Maturity Date. Income Interest for such partial year shall be based upon the amount of Adjusted Cash Flow derived in such manner.

(b) On December 1, 1996, or on any earlier maturity of the Note (whether by prepayment, agreement, default, acceleration, foreclosure, deed in lien of foreclosure or otherwise) (the "Maturity Date"), Mortgagor shall pay to Mortgagee, in cash, as Additional Interest due to Mortgagee hereunder, an amount equal to the "Appraised Value Interest" as calculated below. To determine the Appraised Value as of the Maturity Date, Mortgagor shall deliver to Mortgagee, at Mortgagor's sole cost and expense, an appraisal of the Mortgaged Property (prepared within thirty (30) days prior to the Maturity Date, or in the event the Maturity Date is occasioned by an Event of Default hereunder, then within twenty (20) days after Mortgagor learns of Mortgagee's election to accelerate payment of the Note) by a qualified M.A.I. appraiser to be selected by Mortgagee, at Mortgagor's sole cost and expense. If, at the time an appraisal is required hereunder, the rental payments received from or with respect to the Mortgaged Property are less than the then prevailing market rate for comparable office rental space in the same vicinity as the Mortgaged Property, then, in determining Appraised Value, the Appraiser shall consider the prevailing market rate, the remaining terms of the existing leases and the cost of releasing and new tenant upfit costs. The Appraised Value Interest due to Mortgagee as a result of the Appraised Value determination, if applicable, shall be due and payable on the Maturity Date, or in the case of an Event of Default hereunder and Mortgagee's election to accelerate payment of the Note, within ten (10) days after the determination of Appraised Value.

(1) The Appraised Value Interest shall be computed as follows: Sixty percent (60%) of the [Appraised Value <u>minus</u> the greater of (the most recent "Sale Price" in connection