

TWENTY-SEVENTH: Prior to commencement of construction of the improvements to the premises, Mortgagor shall establish a working capital fund by depositing in a safe and responsible depository approved by Mortgagee, the sum of \$100,000. Such funds may be used by Mortgagor to pay the expenses of operating the nursing home to be constructed on the premises and the balance of said deposit may be withdrawn by Mortgagor after the nursing home to be operated upon the premises is 70% occupied by patients. Mortgagee shall receive a monthly report from said depository indicating the balance of said deposit.

TWENTY-EIGHTH: In addition to the required payments of principal and fixed interest at the aforesaid rate to be made as herein provided, Mortgagor has promised to pay to the Mortgagee as additional interest an amount equal to 1% of Total Revenues for each calendar year during the term of the loan, beginning with the calendar year 1971. Total Revenues as used in this paragraph and in the note secured hereby shall be defined to mean the aggregate

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amount of all rentals, receipts and income of any and all kind received by the owner of the premises from the premises. No allowances or deductions of any kind or nature shall be made in determining Total Revenues. For the purpose of determining Total Revenues there shall be included the fair rental value of any substantial amount of space (computed at the rate for comparable space then being occupied by others in any part of the premises) in any part of the premises which would otherwise be available to third parties but is then being occupied by any person or entity directly or indirectly controlled or related to the owner of the premises or any of its principals or members of any of the beneficiaries thereunder and for which the fair rental value is not being received by the owner of the premises. All gross receipts derived in, upon or from the premises by any person or entity directly or indirectly controlled by or related to the owner of the premises or any of its principals or members of any of the beneficiaries thereunder shall be considered as having been received by the owner of the premises. If all or substantially all of the premises shall at any time be leased to a single lessee, such lessee shall be deemed an owner for the purpose of determining Total Revenues received by the owner from the premises.

Such payments of additional interest shall not be credited either to principal or fixed interest, shall not affect in any way the mandatory or optional payments to be made hereunder and under the note secured hereby and shall not reduce the principal balance from time to time unpaid. Such payments of additional interest shall be made as follows: Mortgagor shall pay as estimated additional interest in advance on the days on which a monthly instalment of principal or fixed interest is to be paid a sum equal to 1/12th of the annual additional interest as estimated by Mortgagee. Within ten days after delivery to the Mortgagee of the audit report described in Paragraph 15 of this Mortgage, Mortgagor or Mortgagee, as the case may be, shall make a payment to adjust such additional interest to the amount determined for the whole of the calendar year provided that Mortgagee shall not be required to make any such payment so long as a default exists in this mortgage or in the note hereby secured. The final payment of principal due under said note shall include as additional interest an amount of money which is equal to 1% of the Total Revenues for the previous calendar year (unless it has already been paid) and for that portion of the current calendar year up to the date of such final payment of principal.

TWENTY-NINTH: This mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the note or this mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein, and the holder or holders, from time to time, of the note secured hereby.

IN WITNESS WHEREOF, Mortgagor has executed this instrument on the day and year first above written.

ATTEST:

*Charles P. Pomeroy*  
Secretary  
Charles P. Pomeroy

CHERRY MANOR INC., a  
Kansas corporation

*Robert E. Dunn, Jr.*  
President  
Robert E. Dunn, Jr.

