

or by a receiver appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of the Properties, the Improvements or the Personal Property or any part thereof, in its own name, sue for or otherwise collect the rents including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, to the payment of the indebtedness secured hereby, and in such order as the Beneficiary may determine. The collection of such rents or the entering upon and taking possession of the Properties, the Improvements or the Personal Property or any part thereof, or the application thereof as aforesaid, shall not cure or waive any Event of Default or notice of default hereunder or invalidate any act done in response to such Event of Default or pursuant to such notice of default.

ARTICLE III

Events of Default; Remedies

Section 3.01 Nature of Events. An "Event of Default" shall exist if any of the following occurs and is continuing:

(a) Southern fails to make any payment or prepayment of any principal of the Note on or before five (5) days after the date such payment is due (whether at maturity or otherwise); (b) Southern fails to make any payment of interest on the Note on or before five (5) days after the date such payment is due;

(b) Southern fails to make any payment of interest on the Note on or before five (5) days after the date such payment is due;

(c) The Company fails to perform or observe any covenant or agreement contained in Section 1.02, and such failure continues for more than thirty (30) days after such failure shall first become known to any officer of the Company, or, if such failure is remediable and the Company shall be endeavoring diligently to remedy the same, such longer period (not to exceed sixty (60) days) as shall be necessary to remedy the same;