

court or courts of competent jurisdiction; and (c) to pursue any other remedy available to it. The Noteholder shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as the Noteholder may determine.

### 3.03 Noteholder's Right to Enter and Take Possession, Operate and Apply Income.

(a) If an Event of Default shall have occurred, (i) the Borrower upon demand of the Noteholder, shall forthwith surrender to the Noteholder the actual possession and if and to the extent permitted by law, the Noteholder itself, or by such officers or agents as it may appoint, may enter upon and take possession of THE PROPERTY and may exclude the Borrower and its agents and employees wholly therefrom, and may have joint access with the Borrower to the books, papers and accounts of the Borrower.

(b) If the Borrower shall for any reason fail to surrender or deliver THE PROPERTY or any part thereof after the Noteholder's demand, the Noteholder may obtain a judgment or decree conferring on the Noteholder the right to immediate possession or requiring the Borrower to deliver immediate possession of all or part of THE PROPERTY to the Noteholder, to the entry of which judgment or decree the Borrower hereby specifically consents. The Borrower shall pay to the Noteholder, upon demand, all costs and expenses of obtaining such judgment or decree and reasonable compensation to the Noteholder, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(c) Upon every such entering upon or taking of possession, the Noteholder may hold, store, use, operate, manage and control THE PROPERTY and conduct the business thereof, and, from time to time:

(i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property;

(ii) insure or keep THE PROPERTY insured;

(iii) manage and operate THE PROPERTY and exercise all the rights and powers of the Borrower in its name or otherwise with respect to the same;

(iv) enter into agreements with others to exercise the powers herein granted the Noteholder, all as the Noteholder from time to time may determine; and the Noteholder may collect and receive all the rents, income and other benefits thereof, including those past due as well as those accruing thereafter; and shall apply the monies so received by the Noteholder in such priority as the Noteholder may determine to (1) amounts advanced pursuant to sub-sub-paragraph (i) of this subparagraph (c), (2) the payment of interest and principal due and payable on the Note, (2) the deposits for taxes and assessments and insurance premiums due, (3) the cost of insurance, taxes, assessments and other expenses of operating, maintaining, repairing and improving THE PROPERTY, including without limitation renting commissions and rental collection commissions paid to an agent of the Noteholder or of the receiver; and (4) the compensation, expenses and disbursements of the agents, attorneys and other representatives of the Noteholder. All costs, expenses and liabilities of every character incurred by the Noteholder in managing, operating and maintaining THE PROPERTY, not paid out of rent as hereinabove provided, shall constitute advances and be demand obligations owing by Borrower and shall draw interest from the date of expenditure until paid at the Default Rate, all of which shall constitute a portion of the secured indebtedness. While in possession of THE PROPERTY, the Noteholder or the receiver shall be liable to account only for the rents, issues and profits actually received.

The Noteholder, at its election, and without notice to the Borrower, may, to preserve its interest in THE PROPERTY, make any payments which the Borrower has failed to make under any Approved Prior Encumbrance, but such payment by the Noteholder shall not release the Borrower from the Borrower's obligations or constitute a waiver of the Borrower's default hereunder.

The Noteholder shall surrender possession of THE PROPERTY to the Borrowers only in the event the indebtedness outstanding under the Note and the Mortgage shall have been paid in full, and all other terms, conditions and covenants of the Note and this Mortgage shall have been performed, in accordance with the tenor thereof.

3.04 Leases. Noteholder, at its option, is authorized to foreclose this Mortgage subject to the rights of any tenants of THE PROPERTY, and the failure to make any such tenants parties defendant to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted by the Borrower to be, a defense to any proceedings instituted by the Noteholder to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of THE PROPERTY. Unless otherwise agreed by Noteholder in writing, all leases and tenancies of the Property executed subsequent to the date hereof, or any part thereof, shall be subordinate and inferior to the lien of this Mortgage, except that from time to time the Noteholder may execute and record among the Land Records of the jurisdiction where this Mortgage is recorded, subordination statements with respect to such of said leases as Noteholder may designate, whereby the leases so designated by Noteholder will be made superior to the lien of this Mortgage. From and after the recordation of such subordination statements, the leases therein referred to shall be superior to the lien of this Mortgage and shall not be affected by any foreclosure hereof. All such leases and tenancies shall contain a provision to the effect that the tenant recognizes the right of the Noteholder to effect such subordination of this Mortgage and consents thereto.

3.05 Purchase by Noteholder. Upon any foreclosure sale of THE PROPERTY, the Noteholder may bid for and purchase THE PROPERTY and, upon compliance with the terms of sale, may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

3.06 Application of Indebtedness Toward Purchase Price. Upon any such sale, the Noteholder may, if permitted by law, and after allowing for costs and expenses of the sale, compensation and other charges, in paying the purchase price, apply any portion of or all of the indebtedness and other sums due to the Noteholder under the Note, this Mortgage or any other instrument securing the Note, in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, to the extent of the purchase price.

3.07 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. The Borrower agrees to the full extent permitted by law that in case of a default on its part hereunder, neither the Borrower nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay of execution notice of election to mature or declare due the whole of the secured indebtedness, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of THE PROPERTY or the final and absolute putting into possession thereof, immediately after such sale, of the purchasers thereof, and the Borrower, for itself and all who may at any