

unpaid principal shall bear interest from the date of such default at four percent (4%) per annum higher than the rate then payable under this Construction Loan Note 1. Forbearance to exercise this option with respect to any failure or breach of the undersigned shall not constitute a waiver of the right as to any continuing failure or breach or any subsequent failure or breach. Exercise of this option shall be without notice to the undersigned, notice of such exercise being hereby expressly waived.

Time is of the essence of this Construction Loan Note 1 and, in case this Construction Loan Note 1 is collected by law or through an attorney at law, or under advice therefrom, the undersigned agrees to pay all reasonable costs of collection, including reasonable attorney's fees.

Reasonable attorney's fees are defined to include, but not be limited to, all fees incurred in all matters of collection and enforcement, construction and interpretation, before, during and after suit, trial, proceedings and appeals, as well as appearances in and connected with any bankruptcy proceedings or creditors' reorganization or similar proceedings.

The remedies of the Holder, as provided herein or in the Mortgage, or any other Security or Loan Document shall be cumulative and concurrent, and may be pursued singularly, successively or together, at the sole discretion of the Holder, and may be exercised as often as occasion therefor shall arise. No act of omission or commission of the Holder, including specifically any failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of the same, such waiver or release to be effected only through a written document executed by the Holder and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as continuing, as a bar to, or as a waiver or release of any subsequent right, remedy or recourse as to a subsequent event.

Except for notice provided for herein, all persons or corporations now or at any time liable, whether primarily or secondarily, for the payment of the indebtedness hereby evidenced, for themselves, their heirs, legal representatives, successors and assigns respectively, hereby (a) expressly waive presentment, demand for payment, notice of dishonor, protest, notice of nonpayment or protest, and diligence in collection; (b) consent that the time of all payments or any part thereof may be extended, rearranged, renewed or postponed by the Holder hereof and further consent that the collateral security or any part thereof may be released, exchanged, added to or substituted for by Holder hereof, without in anywise modifying, altering, releasing, affecting or limiting their respective liability or the lien of any security instrument; (c) agree that the Holder, in order to enforce payment of this Construction Loan Note 1, shall not be required first to institute any suit or to exhaust any of its remedies against the Maker or any other person or party to become liable hereunder.

Notwithstanding any other term or provision in this Construction Loan Note 1 or the Construction Loan Agreement to the contrary, by accepting this Construction Loan Note 1, the Holder acknowledges that the promise of the undersigned to pay the principal indebtedness and the interest on this Construction Loan Note 1 is for the sole purpose of establishing the existence of an indebtedness, and the Holder's source of satisfaction of said indebtedness is limited solely and exclusively to the Premises and other collateral pledged by the undersigned to Holder and the Holder shall not seek to procure payment out of any other assets of the undersigned, or of any general partner, limited partner or special limited partner of undersigned, or to procure any judgments for any sum of money which is or may be payable under this Construction Loan Note 1 or under any Mortgage securing this Construction Loan Note 1 or under any other of the instruments

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