

may consider it necessary or desirable to discharge and then (b) in the manner provided in Section 16.

16. Application of Proceeds of Sale. The proceeds of any sale of the Properties or any of them or any interest therein, whether pursuant to foreclosure or power of sale or otherwise shall be applied to pay:

First: The costs and expenses of the sale, attorneys' fees, Trustee's fees and expenses, if any, court costs, and any other expenses or advances made or incurred in the protection of Mortgagee's rights or in the pursuance of its remedies hereunder or under the Individual Mortgages;

Second: Any indebtedness secured by this Mortgage and at the time due and payable (whether by acceleration or otherwise), including all amounts of principal, premium, if any, and interest at the time due and payable on the Note, and interest at the rate of 11 1/4% per annum on any overdue principal, premium and (to the extent permitted by applicable law) interest;

Third: The balance, if any, to the Company.

17. Performance by Jackson-Atlantic. Compliance by Jackson-Atlantic with any provisions of the Lease which if done by the Company would constitute compliance with provisions of this Mortgage shall be deemed compliance by the Company with such provisions hereof. Performance by Jackson-Atlantic of any of the Company's obligations hereunder, whether or not pursuant to the Lease, shall be equivalent of the Company's performance thereof.