

make settlement of its claim, except to the extent of the interest of Mortgagee. In any such condemnation proceedings Mortgagee may be represented by counsel selected by Mortgagee. The proceeds of any award or compensation so received after reimbursement of any expenses incurred by Mortgagee in connection with such proceedings, shall, at the option of Mortgagee, be applied, without premium, to the prepayment of the Note in such order as Mortgagee may in its sole discretion elect (regardless of interest payable on the award by the condemning authority), or to the cost of restoration of the Improvement or Chattels so taken.

SECTION 1.17. The assignment of rents, income and other benefits contained in the granting clause of this Mortgage shall be fully operative without any further action on the part of Mortgagor or Mortgagee and specifically Mortgagee shall be entitled, at its option, upon the occurrence of an Event of Default, to all rents, income and other benefits from the Mortgaged Property whether or not Mortgagee takes possession of the Mortgaged Property. Mortgagor hereby further grants to Mortgagee the right (i) to enter upon and take possession of the Mortgaged Property for the purpose of collecting the said rents, income and other benefits, (ii) to dispossess by the usual summary proceedings any tenant defaulting in the payment thereof to Mortgagee, (iii) to let the Mortgaged Property or any part thereof, and (iv) to apply said rents, income and other benefits, after payment of all necessary charges and expenses, on account of the indebtedness and other sums secured hereby. Such assignment and grant shall continue in effect until the indebtedness and other sums secured hereby are paid, the execution of this Mortgage constituting and evidencing the irrevocable consent of