

Mortgagor from any obligation under the Loan Instruments, may make or do the same in such manner and to such extent as it may deem necessary to protect the security of this Mortgage. In connection therewith (without limiting its general powers), upon an event of default set forth in Section 3.01 of this Mortgage, Mortgagee shall have the right, but not the obligation, to enter upon and take possession of the Property and further, without taking possession of the Property, (i) to make additions, alterations, repairs and improvements to the Property which it may consider necessary or proper to keep the Property in good condition and repair, (ii) to appear and participate in any action or proceeding affecting or which may affect the security of this Mortgage or the rights or powers of Mortgagee, (iii) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of Mortgagee may affect or appear to affect the security of this Mortgage or which is prior or superior to the lien of this Mortgage without Mortgagor's consent, and (iv) in exercising such powers, to pay necessary expenses, including the expenses of employing counsel or other necessary or desirable consultants. Mortgagor shall, immediately upon demand therefor by Mortgagee, pay all reasonable costs and expenses incurred by Mortgagee in connection with the exercise by Mortgagee of the foregoing rights, including without limitation reasonable costs of evidence of title, court costs, appraisals, surveys and attorneys' fees.

1.10 Eminent Domain. All rights of the Mortgagee with respect to the receipt or application of condemnation proceeds pursuant to this Section 1.10 shall be subject to the rights of the holder of the First Mortgage as set forth therein. Should the Property, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or sold in lieu thereof ("Condemnation"), or should Mortgagor receive any notice or other information regarding such proceeding or sale, Mortgagor shall give prompt written notice thereof to Mortgagee.

(a) All proceeds with respect to any one Condemnation of less than \$10,000 in value of the Property shall be payable to Mortgagor and Mortgagor shall, within a reasonable time (but in no event more than 180 days) after receiving such proceeds, apply the same to the restoration of the Property, to the extent feasible. All proceeds with respect to any one Condemnation of more than \$10,000 in value of the Property shall be payable to Mortgagee. Mortgagee shall have the Investor Institution, on behalf of Mortgagee, invest the Proceeds received