

foreclosure or power of sale or otherwise hereunder, and all amounts received by the Mortgagee by reason of any holding, operation or management of the Mortgaged Property or any part thereof pursuant to section 23, together with any other moneys at the time held by the Mortgagee as part of the Mortgaged Property, including, without limitation, so long as any Event of Default shall have occurred and be continuing, all amounts referred to in section 2 of the Assignment, shall be applied to pay:

First: all costs and expenses of the sale of the Mortgaged Property or any part thereof or any interest therein pursuant to section 24 or 26, or all costs and expenses of entering upon, taking possession of, removal from, holding, operating and managing the Mortgaged Property or any part thereof, as the case may be, together with any taxes, assessments or other charges, prior to the lien of this Mortgage, which the Mortgagee may consider it necessary or desirable to pay;

Second: any indebtedness, secured by this Mortgage and at the time due and payable, other than indebtedness with respect to the Notes at the time outstanding;

Third: all amounts of principal, premium, if any, and interest at the time due and payable on the Notes at the time outstanding (whether at maturity or on a date fixed for any installment payment or any prepayment or by declaration or otherwise), including interest at the rate of 11 3/8% per annum on any overdue principal (including any overdue prepayment of principal) or premium and (to the extent permitted under applicable law) on any overdue interest; and in case

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such moneys shall be insufficient to pay in full the amount so due and unpaid upon the Notes, then, first, to the payment of all amounts of interest at the time due and payable on the Notes, without preference or priority of any installment of interest over any other installment of interest or of any Note over any other Note, and, second, to the payment of all amounts of principal and premium, if any, at the time due and payable on the Notes, without preference or priority of any amount of principal and premium over any other amount of principal and premium or of any Note over any other Note; all such payments of principal and interest to be made ratably to the holders of the Notes entitled thereto;

Fourth: the balance, if any, to the Company.