

below the level of, or above the Mortgaged Property; and (iii) any damage to the Mortgaged Property due to governmental action, but not resulting in a taking of any portion of the Mortgaged Property such as, without limitation, the taking of title, possession or right of access to a public way or of the changing of the grade of any street adjacent to the Mortgaged Property.

6.2 Prosecution of Claim. Mortgagor hereby agrees to file and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to Mortgagee, and hereby irrevocably authorizes and empowers Mortgagee, in the name of Mortgagor or otherwise, to collect and receipt for any such award or payment and, in the event that an Event of Default has occurred and is continuing, to file and prosecute such claim or claims.

6.3 Application of Proceeds. All proceeds received by Mortgagee with respect to a taking of the Mortgaged Property or with respect to damage to the Mortgaged Property from governmental action not resulting in a taking of a portion of the Mortgaged Property, shall be applied by Mortgagee in the following order:

(a) first, to the payment of all costs and expenses (including reasonable attorneys' fees and other legal expenses) incurred in connection with collecting such proceeds;

(b) second, to the payment of all accrued and unpaid interest on the Note;