

order in any eminent domain proceedings granting condemnation, the Lessee shall direct the County and the Mortgagee in writing as to which of the ways specified in this Section the Lessee elects to have the condemnation award applied.

Any balance of the Net Proceeds of the award in such eminent domain proceedings or proceedings in lieu of or in anticipation of such eminent domain proceedings, shall, at the election of the Mortgagee, be paid to the Mortgagee to be applied against the principal payments on the Notes in inverse order of their maturity. If the Series 1980 Note has been fully paid or if the Mortgagee shall not exercise its option to receive the Net Proceeds, all Net Proceeds shall be paid to the Lessee.

The County shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and shall, to the extent it may lawfully do so, permit the Lessee to litigate in any such proceeding in the name and behalf of the County. In no event shall the County voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of the Lessee and the Mortgagee, nor shall the Lessee voluntarily settle or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of the County and the Mortgagee.

1119  
PAGE  
820

4328 RV.2