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be commingled with the general funds of the Mortgagee, shall constitute additional security for the Note and the other obligations secured by this Mortgage, and shall not bear interest.

6. Condemnation. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise, the Mortgagor shall continue to pay the Note at the time and in the manner provided for its payment therein and in this Mortgage and the Note shall not be reduced until any award or payment shall have been actually received by the Mortgagee. If the Property or any part thereof is taken, damaged or diminished in value, or if a settlement is entered into by or under threat of such proceeding, the award or settlement payable to the Mortgagor by virtue of its interest in the Premises, shall be, and by these presents is, assigned, transferred and set over unto the Mortgagee to be held by it subject to the lien and security interest of this Mortgage. Any such award or settlement shall first be applied to reimburse the Mortgagee for all costs and expenses, including reasonable attorney fees incurred in connection with said proceeding, and the collection of such award or settlement. The balance of such award or settlement shall be applied by the the Mortgagee as follows: (i) first to reimburse the Mortgagor for the cost of rebuilding, reconstruction, or repair ("Reconstruction") of the Improvements and Equipment, provided they can be restored to substantially their value prior to the event and the Application Conditions contained in Section 3 hereof are met; and (ii) the balance applied to the payment of the Note in such priority and proportions as the Mortgagee in its discretion shall deem proper. In the event of a partial condemnation, if there is not available sufficient proceeds to restore the remaining portion of the Property and Improvements as required to maintain them as a project in accordance with all existing governmental codes and regulations, then at the Mortgagor's election the Mortgagee shall purchase the Property pursuant to the Section 22 Purchase Procedure as hereinafter defined. If the Property is sold, through foreclosure or otherwise, prior to the receipt by the Mortgagee of such award or payment, the Mortgagee shall have the right, whether or not a deficiency judgment on the Note shall have been sought, recovered or denied, to receive such award or payment, or a portion thereof sufficient to pay the Note, whichever is less. The Mortgagor shall file or defend its rights in any proceeding and prosecute the same with due diligence to final disposition, and shall cause any award or settlements to be paid to the Mortgagee, to be applied as provided above. The Mortgagor may be the nominal party in such proceeding but the Mortgagee shall be entitled to participate in the defense (or prosecution, if for inverse condemnation) of the condemnation proceeding, and to be represented therein by counsel of its own choice, and the Mortgagor will deliver, or cause to be delivered to the Mortgagee such instruments as may be requested by the Mortgagee from time to time to permit such participation.

7. Leases and Rents. As additional security for the payment of the Note, the Mortgagor hereby assigns to the Mort-