

SECTION 9. Condemnation. (A) In the event that title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority, the Company and the Bank shall cause the Net Proceeds received by them or either of them from any award made in such eminent domain proceedings, to be paid to and held by the Bank in an interest bearing account, to be applied in one or more of the following ways as shall be directed in writing by the Company:

(1) The restoration by the Company of the Project so that it may be operated in substantially the same manner as operated prior to the exercise of the said power of eminent domain;

(2) The acquisition, construction or installation of improvements consisting of a building or buildings, facilities, machinery, equipment or other properties suitable for the Company's operations at the Project; provided, that such improvements shall be acquired, constructed or installed by the Company subject to no liens or encumbrances, other than Permitted Encumbrances; or

(3) The prepayment of the Note pursuant to the terms of the Note and Section 301 of the Note Ordinance, such prepayment to be applied first against any accrued and unpaid interest and then against the

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