

the costs of such restoration or acquisition of improvements, as the case may be, the Lessee shall nonetheless complete said work and shall pay that portion of the costs thereof in excess of the amount of the Net Proceeds. The Lessee shall not, by reason of the payment of any such excess costs, be entitled to any reimbursement from the County, the Assignee or the holders or owners of the Note or any abatement or diminution of the rents payable under Section 5.3 hereof.

Any balance of the Net Proceeds of the award in such eminent domain proceedings shall be paid to the Assignee to be applied against the payments on the Note in the inverse order in which they become due. When the Note has been fully paid 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.

Section 7.3. Condemnation of Lessee-Owned Property.

The Lessee shall also be entitled to the Net Proceeds of any condemnation award or portion thereof for damage to or taking of its own property not included in the Project (except for damages for the value of its leasehold estate under this Agreement which shall be disposed of pursuant to Section 7.2 hereof).

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