

In the event the Net proceeds are applied pursuant to subsection (a) or (b) and are not sufficient to pay in full 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 Mortgagee, or the holders 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 Mortgagee to be applied towards payment on the Note, in inverse order of maturity. If the Note has been fully paid (whether on maturity or by prepayment as provided in the Note), 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 on 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.

Notwithstanding any other provision of this Section, in any event of condemnation when no Note is then outstanding and unpaid, there shall be no obligation on the part of Lessee to restore or repair the Project.