

of the pendency of such proceedings. Mortgagee may participate in any such proceedings, and Mortgagor, from time to time, shall deliver to Mortgagee all instruments requested by it to permit such participation.

7. Mortgagor assigns to Mortgagee all awards for any taking by eminent domain, alteration of the grade of any street or other injury to or decrease in value of the Property to the extent of any remaining unpaid Indebtedness, and, notwithstanding any such taking, Mortgagor shall continue to pay interest at the rate provided in the Note until any such award or payment shall have been actually received by Mortgagee; any reduction in the principal sum resulting from the application by Mortgagee of such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such receipt. Such award may (i) be applied, in such proportions and priority as Mortgagee in its sole discretion may elect, to the reduction of principal, whether or not then due and payable, or any other sums included in the Indebtedness or (ii) be paid to Mortgagor, on such terms as Mortgagee may specify, without thereby waiving or impairing any equity or lien, under and by virtue of this Mortgage, as a result of any such taking, alteration of grade, or other injury to the Property.

If, prior to the receipt by Mortgagee of such award or payment, the Property or any part thereof shall have been sold on foreclosure of this Mortgage or title shall have been transferred by any other means in enforcement of the lien hereof, Mortgagee shall have the right to receive such award to the extent of the Indebtedness remaining unsatisfied after such sale or transfer of title, with interest thereon at the rate set forth in the Note and to receive the reasonable counsel fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award.

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