

judgment, order or decree in any such action may be satisfied by recourse only to the Collateral, and not by recourse directly or indirectly to mortgagor and/or to any or all of mortgagor's general or limited partners (in their capacities as such partners) or by execution on their other respective personal separate and/or joint assets. Nothing set forth in this paragraph shall be deemed to limit the personal liability of mortgagor and/or of any of mortgagor's general partners or to prohibit mortgagee from taking any legal action against mortgagor and/or against any or all of mortgagor's general partners arising by reason of any fraud or willful misconduct by mortgagor and/or by any of such partners.

CONDEMNATION

6. Condemnation.

Mortgagor shall give mortgagee immediate written notice of the actual or threatened commencement of any proceedings under eminent domain affecting all or any part of the Mortgaged Property or any easement thereto or appurtenance thereof, including severance and consequential damage and change in grade of streets, and will deliver to mortgagee copies of any and all papers served in connection with any such proceedings immediately after mortgagor's receipt thereof. Mortgagor hereby assigns, transfers and sets over to mortgagee all rights of mortgagor to any and all awards and/or payments in respect of (a) any taking of all or a portion of the Mortgaged Property as a result of, or by agreement in anticipation of, the exercise of the right of condemnation or eminent domain; (b) any such taking of any appurtenances to the Mortgaged Property, vaults, areas and/or projections outside the boundaries of the Mortgaged Property, rights in, under and/or above the alleys, streets or avenues and/or for the taking of space and/or rights therein, below the level of and/or about the Mortgaged Property; and (c) any damage to the Mortgaged Property or any part thereof due to governmental action, but not resulting in, a taking of any portion of the Mortgaged Property, such as, without limitation, the changing of the grade of any street adjacent to the Mortgaged Property. Mortgagor hereby agrees promptly to file and prosecute its claim or claims for all such takings and damages and with due diligence to cause the same to be collected and paid over to mortgagee, and in the event mortgagor fails to act, or in the event that an Event of Default has occurred and is continuing, mortgagee is authorized to file and prosecute such claim or claims in the name of mortgagor, or otherwise, and to collect and receive all damages and/or awards for the benefit of the Mortgaged Property.

7. Application of Proceeds.

All proceeds received by mortgagee with respect to taking of all or part of the Mortgaged Property and/or with respect to damage to all or any part of the Mortgaged Property from governmental action not resulting in a taking of the Mortgaged Property, shall be applied as follows, in the order of priority indicated: (a) to reimburse mortgagee for all costs and expenses, including reasonable attorneys' fees, incurred in connection with collecting such proceeds; (b) to the payment of accrued and unpaid interest on the Note; (c) to the prepayment of the unpaid principal of the Note, without premium; (d) to the payment of the balance of the Indebtedness; and (e) the balance, if any, will be paid to mortgagor; provided that if such taking or damage will not in the reasonable opinion of mortgagee materially