

shall then file or defend its claim thereunder and prosecute same with due diligence to its final disposition and shall cause any awards or settlements to be paid over to Mortgagee for disposition pursuant to the terms of this Mortgage. Mortgagor may be the nominal party in such proceeding, but Mortgagee shall be entitled to participate in and to be represented therein, at its expense, by counsel of its own choice, and Mortgagor will deliver, or cause to be delivered, to Mortgagee such instruments as may be requested by it from time to time to permit such participation. If the Mortgaged Property is taken or diminished in value, or if a consent settlement is entered, by or under threat of such proceeding, the award or settlement payable to Mortgagor by virtue of its interest in the Mortgaged Property shall be, and by these presents is, assigned, transferred and set over unto Mortgagee to be held by it, in trust, subject to the lien and security interest of this Mortgage, and disbursed as follows:

8.1.1 (i) all of the Mortgaged Property is taken; (ii) so much of the Mortgaged Property is taken, or the Mortgaged Property is so diminished in value, that the remainder thereof cannot (in Mortgagee's judgment, reasonably exercised) continue to be operated for the purpose it was being used immediately prior to such taking or diminution; (iii) an Event of Default shall have occurred; or (iv) the Mortgaged Property is partially taken or diminished in value and (in Mortgagee's judgment, reasonably exercised) need not be rebuilt, restored or repaired in any manner, then in any such event the entirety of the sums so paid to Mortgagee shall be applied by it in the order recited in Paragraph 8.2 hereinbelow; or

8.1.2 If: (i) only a portion of the Mortgaged Property is taken and the portion remaining can (in Mortgagee's judgment), with rebuilding, restoration or repair, be profitably operated for the purpose referred to in Paragraph 8.1.1 (ii) hereinabove; (ii) none of the other facts recited in Paragraph 8.1.1 hereinabove exists; (iii) Mortgagor shall deliver to Mortgagee plans and specifications for such rebuilding, restoration or repair acceptable to Mortgagee, which acceptance shall be evidenced by Mortgagee's written consent thereto; and (iv) Mortgagor shall thereafter commence the rebuilding, restoration or repair and complete same, all in substantial accordance with the plans and specifications then such sums shall be paid to Mortgagor to reimburse Mortgagor for money spent, or to directly pay the costs incurred, in the rebuilding, restoration or repair; otherwise same shall be applied by Mortgagee in the order recited in Paragraph 8.2 hereinbelow.

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