

(e) Any balance of such Net Proceeds remaining after payment of all costs of such repair, rebuilding, or restoration made pursuant to Section 7.1(a) and (b) shall be paid to the Mortgagee to be applied towards payment on the Note. If the Note has been fully paid (whether at maturity or by prepayment as provided in the Note), all Net Proceeds shall be paid to the Lessee.

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

SECTION 7.2     Condemnation.                    Unless title to, or temporary use of all or substantially all, or any material portion, of the Project shall have been taken by condemnation and the Lessee shall elect to exercise its option to purchase pursuant to Section 11.2 hereof, the Lessee shall be obligated to continue to make the rental payments specified in Section 5.3 hereof. The County, the Lessee, and the Mortgagee shall cause the Net Proceeds received by them or any of them from any award made in such eminent domain proceedings to be paid to and held by the Mortgagee in a separate trust account, to be applied in one or more of the following ways as shall be directed in writing by the Lessee and as is agreeable to the Mortgagee:

(a) To the restoration of the Project to substantially the same condition thereof as existed prior to the exercise of the said power of eminent domain.

(b) To the acquisition, by construction or otherwise, in the name of the County, of improvements consisting of a building or buildings, facilities, or other properties suitable for the Lessee's operations at