

directed to make payment under such insurance, including return of unearned premiums, directly to Mortgagee instead of to Mortgagor and Mortgagee jointly, and Mortgagor appoints Mortgagee, irrevocably, as Mortgagor's attorney-in-fact to endorse any draft therefor. All insurance proceeds, less the actual costs, fees and expenses, if any, incurred in connection with the adjustment of the loss, shall be payable to Mortgagee, and Mortgagee may elect to apply such proceeds to any part of the indebtedness secured hereby (notwithstanding that the said indebtedness may not then be due and payable) or to apply such proceeds to the repair and restoration of the Mortgaged Property or any part thereof.

In the event of the happening of any casualty, of any kind or nature, ordinary or extraordinary, foreseen or unforeseen (including any casualty for which insurance was not obtained or obtainable), resulting in damage to or destruction of the Mortgaged Property or any part thereof, Mortgagor will give immediate written notice thereof to Mortgagee, and, unless Mortgagee shall elect to apply such insurance proceeds to the payment of the indebtedness secured hereby, Mortgagor will promptly, at Mortgagor's sole cost and expense, whether or not the insurance proceeds, if any, shall be sufficient for the purpose, commence, and diligently continue, to restore, repair, replace, rebuild or alter the Mortgaged Property, as nearly as possible to its value, condition and character immediately prior to such damage or destruction. In that event, Mortgagee shall have the right to hold the insurance proceeds and disburse them to Mortgagor or contractors as the restoration work progresses; such proceeds may be commingled with Mortgagee's other funds, and no interest shall be due thereon from Mortgagee.

Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required