

and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Lender, instead of to Borrower and Lender jointly. In the event any insurance company fails to disburse directly and solely to Lender but disburses instead either solely to Borrower or to Borrower and Lender jointly, Borrower agrees immediately to endorse and transfer such proceeds to Lender. Upon the failure of Borrower to endorse and transfer such proceeds as aforesaid, Lender may execute such endorsements or transfers for and in the name of Borrower, and Borrower hereby irrevocably appoints Lender as Borrower's agent and attorney-in-fact so to do. After deducting from said insurance proceeds all of its expenses incurred in the collection and administration of such sums, including attorneys' fees, Lender may apply the net proceeds or any part thereof, provided Lender is not obligated to disburse such amount as hereinafter provided, to the payment of the Indebtedness, whether or not due and in whatever order Lender elects, without affecting the security interest created by this Mortgage. Lender shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

In the event (i) a casualty occurs which is insured under the hazard insurance policy described in this subparagraph ("Casualty"), and (ii) Lender receives payment of proceeds with respect to such casualty, and (iii) no Event of Default has occurred hereunder or no event has occurred but for the passage of time would constitute an Event of Default hereunder, then and provided all of the above conditions are satisfied, then Lender shall disburse such insurance proceeds, as repairs are made, to Borrower for the sole purpose of restoration of the

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