

(b) If the provisions of the foregoing paragraph (a) are not applicable, all proceeds of insurance with respect to damage to or destruction of the Improvements having a value of \$10,000.00 or less shall be payable to Mortgagor and Mortgagor shall, within a reasonable time (but in no event more than 180 days) after receiving such proceeds, apply the same to the restoration of the Improvements. All proceeds of insurance with respect to damage to or destruction of the Improvements having a value in excess of \$10,000.00 shall be payable to Mortgagee. Mortgagee shall appoint a bank or trust company in the United States that is satisfactory to Mortgagee and Mortgagor (the "Investor Institution") which shall, in Mortgagee's behalf, keep such proceeds invested in full faith and credit obligations of the United States government having maturities of 270 days or less. All fees and expenses of the Investor Institution for investing such proceeds shall be paid out of income earned on such proceeds. The Investor Institution, upon the direction of Mortgagee, shall apply such proceeds and all income remaining from the investment thereof after such fees and expenses have been paid, as hereinafter provided in Section 1.05(c).

(c) Insurance proceeds received by Mortgagee on account of any damage to or destruction of the Improvements or any part thereof (less the costs, fees and expenses incurred by Mortgagee in the collection thereof, including without limitation adjuster's and attorneys' fees and expenses) and all income earned on such proceeds in accordance with Section 1.05(b) (such remaining insurance proceeds and income earned thereon being hereinafter together called "Net Insurance Proceeds") shall be applied as follows:

(i) Mortgagor shall furnish to Mortgagee evidence reasonably satisfactory to Mortgagee of the total cost of restoration, replacement or rebuilding of the Improvements as nearly as possible to its value, condition, and character immediately prior to such damage or destruction (such restoration, replacement and rebuilding, together with any temporary repairs and property protection pending completion of the work, being herein called "Restoration"). Mortgagee shall deposit all Net Insurance Proceeds with the Investor Institution. The Investor Institution shall hold all Net Insurance Proceeds until such time as Mortgagor shall have available and shall deposit with the Investor Institution the total amount of money which, when added to the Net Insurance Proceeds, shall be sufficient to pay the cost of Restoration. If the Lease or the Improvements Lease has terminated, or if Mortgagor delivers to Mortgagee an estimate accompanied by