

- 5) the proceeds of any hazard insurance shall, at the option of the Mortgagee, be applied to or toward the indebtedness secured hereby in such order as the Mortgagee may determine (in which event the Mortgagor shall be relieved of the obligation in Section 3 of this Mortgage to the extent of the repair of that part of the Property damaged by the hazard with respect to which insurance is paid); or if the Mortgagee shall require repair of that part of the Property so damaged by such insured hazard, the Mortgagee shall release to the Mortgagor insurance proceeds paid to it upon such conditions as the Mortgagee may prescribe; notwithstanding anything in this Section 5 to the contrary, however, if the insurer denies liability to the Mortgagor, the Mortgagor shall not be relieved of any obligation under Section 3 of this Mortgage, whether or not the proceeds of insurance are applied to or toward the indebtedness secured hereby;
- 6) the awards of damages on account of any condemnation for public use of or injury to the Property shall be paid to the Mortgagee; such awards shall, at the option of the Mortgagee, be applied

1374

4328 N-2