

Lender as the 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, the Lender may apply the net proceeds or any part thereof, at its option, (i) to the payment of the Indebtedness, whether or not due and in whatever order the Lender elects, (ii) to the repair and/or restoration of the Premises, and/or (iii) for any other purposes or objects for which the Lender is entitled to advance funds under this Mortgage, all without affecting the security interest created by this Mortgage; and any balance of such monies then remaining shall be paid to the Borrower or the person or entity lawfully entitled thereto. The 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.

(c) At least thirty (30) days prior to the expiration date of each policy maintained pursuant to this Paragraph 1.03, a renewal or replacement thereof satisfactory to the Lender shall be delivered to the Lender. The Borrower shall deliver to the Lender receipts evidencing the payment of the annual premiums for all such insurance policies and renewals or replacements. The delivery of any insurance policies hereunder shall constitute an assignment of all unearned premiums as further security hereunder. In the event of the foreclosure of this Mortgage or any other transfer of title to the Premises in extinguishment or partial extinguishment of the Indebtedness, all right, title and interest of the Borrower in and to all insurance policies then in force shall pass to the purchaser or to the Lender, as the case may be, and the Lender is hereby irrevocably appointed by the Borrower as attorney-in-fact for the Borrower to assign any

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