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right to adjust all claims under such insurance policies, and the application of the proceeds of any such claim, shall be assigned to Mortgagee. Mortgagor hereby assigns to Mortgagee all amounts recoverable under any policy. The amount collected by Mortgagee may, at the option of the Mortgagee, be used in any one or more of the following ways: (i) applied to the payment of any sums then in default to Mortgagee hereunder, (ii) used to fulfill any of the covenants contained herein which the Mortgagor has failed to fulfill as the Mortgagee may determine, (iii) unless the insurer denies liability to any insured, used to restore the Property to a condition satisfactory to the Mortgagee on such terms and conditions as Mortgagee may determine, (iv) released to the Mortgagor provided that if any sums remain after satisfaction of items (i) or (iii) above, Mortgagee may, at its election, apply the same upon the Indebtedness secured thereby, whether such Indebtedness then be matured or unmatured. The Mortgagee is hereby irrevocably appointed by the Mortgagor as attorney of the Mortgagor to assign any policy in the event of the foreclosure of this Mortgage or other extinguishment of the Indebtedness secured hereby, and Mortgagor shall have no right to reimbursement for premiums unearned at the time of any such assignment.

3.7 To pay to Mortgagee, at the same time payments are due under the Note, 1/12th of the annual premium for fire, extended coverage insurance, and such other insurance as Mortgagee shall require hereunder, including but not limited to rental insurance for the Property, so that one month prior to the due date for the payment of the annual premium for such insurance, Mortgagee shall have sufficient funds to pay said premium. Said sum shall be held by Mortgagee free of claims, creditors, and without interest and, provided Mortgagor is not in default hereunder, said sums so held by Mortgagee shall be used for the payment of insurance

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