

(2) Direct the Bank in writing to apply for such purpose so much as may be necessary of any Net Proceeds of insurance resulting from such claims for losses.

(B) All Net Proceeds of insurance resulting from such claims for losses shall be paid to the Bank and maintained by the Bank in an interest bearing account and disbursed by the Bank at the direction of the Company as aforesaid, subject to the provisions of Section 8(D) hereof.

(C) In the event the Net Proceeds are not sufficient to pay in full the costs of such repair, rebuilding or restoration, the Company shall nonetheless complete said work and shall pay that portion of the costs thereof in excess of the amount of said Net Proceeds.

(D) Any balance of the Net Proceeds remaining after payment of all the costs of such repair, rebuilding or restoration shall, upon certification of completion, at the option of the Bank, which option is to be exercised within thirty (30) days after such payment, be paid to the Bank to be applied to the prepayment of the Note, such prepayment to be applied first against any accrued and unpaid interest and then against principal installments of the Note in the inverse order of maturity. If the Note has been fully paid or if the Bank shall not exercise its option to receive such balance of Net Proceeds, all such Net Proceeds shall be paid to CIC to be applied to any obligations owed to it by the Company. Any proceeds remaining thereafter shall be paid to the Company.

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