

to the New York standard mortgagee endorsement. The Mortgagor shall promptly notify the Mortgagee of any loss covered by such insurance. The Mortgagee shall have the right to join the Mortgagor in adjusting any loss in excess of \$25,000. The Mortgagee shall retain and apply any monies received by it for loss or damage under such insurance, at the option of the Mortgagee, to the payment of the indebtedness secured hereby without premium, or to the reimbursement of the Mortgagor for expenses incurred by the Mortgagor in the restoration of the Improvements. The Mortgagor shall not take out separate insurance with respect to the Improvements concurrent in form or contributing in the event of loss with that required by this Mortgage unless losses thereunder shall be payable to the Mortgagee pursuant to a standard first mortgagee endorsement, without contribution, substantially equivalent to the New York standard mortgagee endorsement.

(b) To the extent not otherwise provided in subparagraph 5(b) below, upon the execution of this Mortgage and thereafter not less than 15 days prior to the expiration date of each policy then in effect pursuant to subparagraph (a), the Mortgagor shall deliver to the Mortgagee an original of such policy or a renewal policy, as the case may be, bearing a notation evidencing payment of the premium therefor or accompanied by other proof of payment satisfactory to the Mortgagee.

(c) Nothing contained in this paragraph 4 shall prevent the Mortgagor from keeping the Improvements insured or causing the same to be insured against the risks referred to in this paragraph under a policy or policies of blanket insurance, which may cover other property not subject to the lien of this Mortgage; provided, however, that any such policy of blanket insurance:

(i) shall specify therein, or the Mortgagor shall furnish the Mortgagee with a written statement from the insurers under such policies specifying the amount of the total insurance allocated to each of the Improvements located on the Property, which amount shall not be less than the amount required by this paragraph to be carried;

(ii) shall not contain any clause which would result in the insured thereunder being required to carry insurance with respect to the property covered thereby in an amount not less than any specific percentage of the full insurable value of such property in order to prevent the insured therein named from becoming a co-insurer of any loss with the insurer under such policy; and

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