

decree foreclosing this Mortgage as a mortgage, or any tax, special assessment, or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale, or (b) the deficiency in case of a sale and deficiency.

SECTION 22. FORECLOSURE SALE.

The proceeds of any foreclosure or sale in lieu of foreclosure of the Mortgaged Property, or any portion thereof, shall be distributed and applied in the following order of priority:

First, on account of all costs and expenses incident to the foreclosure or other proceedings for the recovery thereof, including all such items as are mentioned in Section 19 hereof;

Second, all other items which, under the terms hereof, constitute Indebtedness Hereby Secured additional to that evidenced by the First Secured Note with interest on such items as herein provided;

Third, to interest remaining unpaid upon the First Secured Note;

Fourth, to the principal remaining unpaid upon the First Secured Note; and

Fifth, any balance remaining to the payment of any indebtedness outstanding and unpaid under the Second Mortgage Documents with the balance, if any, to the Developer, and its successors or assigns, as their rights may appear.

SECTION 23. INSURANCE DURING FORECLOSURE.

In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any Insurance Policy, if not applied in rebuilding or restoring the Improvements, as aforesaid, shall be applied to the payment of the Indebtedness Hereby Secured in the same manner as the other proceeds under Section 22 hereof, and the balance, if any, shall be paid as the court may direct. In the case of foreclosure of this Mortgage, and the sale of the Mortgaged Property in connection with such foreclosure or the sale of the Mortgaged Property pursuant to any other remedy provided by applicable law, the court, in its decree, may provide that the mortgagee's clause attached to each of the casualty Insurance Policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said casualty Insurance Policies making the loss thereunder payable to said decree creditors; and any such foreclosure decree may further provide that in case of one or more redemptions under said decree, pursuant to the statutes in such case made and provided, then in every such case, each and every successive redemtor may cause the preceding loss clause attached to each casualty Insurance Policy to be cancelled and a new loss payable clause to be attached thereto, making the loss thereunder payable to such redemtor. In the event of foreclosure sale, the Co-Mortgagees are hereby authorized, without the consent of the Developer, to assign any and all Insurance Policies to the purchaser at the sale, or to take such other steps as the Co-Mortgagees may deem advisable to cause the interest of such purchaser to be protected by any of the Insurance Policies without credit or allowance to the Developer for prepaid premiums thereon.