

the Lessee as the insureds as their respective interests may appear, and, if obtainable without additional premium, shall include an effective waiver by the issuer of all rights of subrogation against any named insured or such insured's interest in the leased premises or any income derived therefrom. Such policies shall also be payable, as required by the Lessee, to the holders of any mortgage on the leased premises, or any leasehold interest therein, as the interest of such mortgage holder may appear.

- (b) Insurance proceeds payable as a result of any damage to or destruction of the leased premises shall be apportioned between the Lessee and the Lessors (subject to the rights of any mortgagees) as follows:
- i. If the damage or destruction occurs during the first 65 years of the term of the lease, the Lessee shall be entitled to all of the insurance proceeds.
  - ii. If the damage or destruction occurs after the first 65 years of the term of the lease, the insurance proceeds shall be divided between the Lessors and the Lessee in the ratio, as nearly as practicable, which (1) the then value of the Lessors' interest in the leased premises (including their interest hereunder) bears to (2) the then value of the Lessee's interest in the remainder of the lease term determined by independent appraisers as follows: Not more than 30 days after any damage or destruction, the Lessors and the Lessee shall each appoint one appraiser to determine the value of the interests of the Lessors and the Lessee and notice of such appointment shall be given to the other party. If either party shall fail or refuse so to appoint an appraiser and give notice thereof within such period, the appraiser appointed by the other party shall within 30 days thereafter individually make such determination. If the parties have each so appointed an