

of loss or damage to all or any part of the Mortgaged Property. Mortgagor hereby assigns to Mortgagee all such insurance policies and all renewals thereof, and agrees that all such policies and renewals thereof may be held by Mortgagee. Mortgagor agrees that each such insurance policy shall have attached in a form acceptable to Mortgagee a loss payable clause in favor of Mortgagee as its interest may appear.

Mortgagor further covenants and agrees that it will pay the premiums as they become due for all such insurance policies; and upon the failure of Mortgagor to do so, Mortgagee may cause such premiums to be paid. All premiums and associated expenses thus incurred by the Mortgagee shall be payable upon demand and until paid shall be added to the principal indebtedness secured hereby, shall bear interest from the date of payment at the same rate as the principal indebtedness, and shall be secured by this Mortgage.

In the event of loss, Mortgagor agrees to give immediate notice by certified mail to Mortgagee, who may make proof of loss if not otherwise made promptly by Mortgagor. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Mortgagor and Mortgagee as their interests may appear. In the event of loss or damage, the proceeds from any insurance policy shall be applied by Mortgagee, as determined by agreement between Mortgagor and Mortgagee, either to the reduction of the indebtedness secured hereby or to the restoration or repair of the Mortgaged Property.

6. PRESERVATION AND MAINTENANCE OF MORTGAGED PROPERTY. Mortgagor covenants and agrees not to allow or knowingly commit any waste, impairment, or deterioration of the Mortgaged Property, and not to make or permit any alterations that would materially diminish the value of the Mortgaged Property. Should Mortgagor fail to observe and per-

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