

interests may appear, and shall contain a mortgagee endorsement substantially equivalent to the New York standard mortgagee endorsement. Every policy of insurance referred to in this Section shall contain an agreement by the insurer that it will not cancel such policy except after ten days' prior written notice to Mortgagee and that any loss payable thereunder shall be payable notwithstanding any act or negligence of Mortgagor or Mortgagee which might, absent such agreement, result in a forfeiture of all or a part of such insurance payment and notwithstanding (i) occupancy or use of the Mortgaged Property for purposes more hazardous than permitted by the terms of such policy, (ii) any foreclosure or other action or proceeding taken by Mortgagee pursuant to this Mortgage upon the happening of an Event of Default (as hereinafter defined) or (iii) any change in title or ownership of the Mortgaged Property. Duplicate policies or certificates evidencing such insurance shall be delivered to Mortgagee at least 7 days prior to the expiration of the existing policies. Mortgagor shall give Mortgagee prompt notice of any loss covered by such insurance and Mortgagee shall have the right to join Mortgagor in adjusting any loss in excess of \$50,000, provided that if Mortgagor shall be in default hereunder Mortgagee shall have the sole right to adjust all losses payable under any such insurance policies, and provided further that the rights of Mortgagee hereunder are subject to the rights of the holder of any prior mortgage. Any moneys received as payment for any loss under any such insurance shall be paid over to Mortgagee to be applied at the option of Mortgagee either to the prepayment of the Note, without premium, or be disbursed to Mortgagor under step payment terms satisfactory to Mortgagee for expenses

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