

deposited in escrow with an attorney duly admitted to practise and designated by mortgagee in the same manner above outlined in the event of condemnation. If mortgagor elects not to restore the premises, then the proceeds of any such insurance shall be utilized to reduce the obligation of this mortgage and the mortgage shall become immediately due and payable.

27. Notwithstanding anything in these documents to the contrary, mortgagor shall at all times provide and maintain insurance in companies reasonably approved by mortgagee in an amount at least equal to the full replacement cost new of the premises without mortgagor being a co-insurer including all improvements and all other items mentioned or covered by this mortgage with the mortgagee covered under a standard New York form of mortgagee endorsement.

28. In the event of damage or destruction occurring eight or more years after the date hereof, then, at mortgagee's option, then if the cost of repair or restoration is equal to or exceeds at least 40% of the then replacement cost of the premises, mortgagee at its option may either apply the proceeds of insurance in reduction of the mortgage indebtedness secured hereby or make such proceeds available for repair or restoration as provided above.

29. In the event that the proceeds from either condemnation or casualty loss insurance exceed the cost of replacement or restoration of the premises, any such excess shall be paid to the mortgagee in reduction of the principal balance of its mortgage.

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