



Borrower agrees to comply with, and obtain and keep in full force and effect, at all times while the Loan is outstanding, at its sole cost and expense, the following insurance requirements:

- i. Commercial property insurance written on a “Special (Cause of Loss) Form” basis with full replacement cost coverage and a covered event deductible not greater than Twenty-Five Thousand and No/100 Dollars (\$25,000.00). In no event shall the property and improvements limit of the policy be less than the outstanding Principal Balance of the Loan (unless prohibited by applicable law). **Coverage against damage or loss by fire and such other hazards (including lightning, windstorm, hail, explosion, riot, acts of striking employees, civil commotion, vandalism, malicious mischief, aircraft, vehicle, and smoke) are required, as are covered by the broadest form of extended coverage endorsement available from time to time, in an amount not less than the full insurable value of the property.** Also, this policy shall provide coverage for loss of business income (including rental value) for a twelve (12) month period (with a loss payee clause naming Lender). The insurance policy shall also include a mortgagee clause (at end of this document) naming Lender as loss payee in the event of a covered loss.
- ii. Commercial general liability insurance written on an “Occurrence Form” basis with coverage for bodily injury and property damage for claims arising from any insurable activity in, on or about the Premises. The limit of liability shall be not less than One Million and No/100 Dollars (\$1,000,000.00) per occurrence/annual aggregate with a per occurrence deductible not greater than Twenty-Five Thousand and No/100 Dollars (\$25,000.00). Insurer shall grant the Lender additional insured status on this policy.
- ii. Flood insurance coverage in the maximum amount available, or the Loan amount, whichever is less, if the Premises is located in a flood hazard zone, pursuant to the Federal Flood Disaster Protection Act of 1973, and after a certificate of occupancy is issued.
- iv. All other appropriate insurance as Lender may require from time to time and in the amount Lender may require from time to time.

All policies shall have a waiver of subrogation provision acceptable to Lender.

Such insurance policies shall be written by insurance companies licensed to do business in the State of New Jersey, having a minimum noncontingent rating in Best’s Key Rating Guide of A, with a financial class size of VIII (8) or better and shall otherwise be satisfactory to Lender as to amount, form, deductibles and insurer, and must cover all risks Lender requires. Borrower shall replace any required insurance in the event of insurer’s insolvency or if the financial rating of the insurer shall fall below the required rating. Such insurance policies and endorsements (A) shall be manually signed (unless waived by Lender in writing), (B) shall name as the insured parties Borrower and Lender as their interests may appear, (C) shall be in amounts sufficient to prevent Borrower from becoming a coinsurer of any loss thereunder, (D) shall bear a satisfactory first mortgagee clause in



favor of Lender with loss proceeds under any such policies to be made payable to Lender, and (E) shall contain such other endorsements as Lender may require.

All required policies of insurance or acceptable certificates thereof, together with evidence of the payment of current premiums therefor, shall be delivered to Lender and shall provide that Lender shall receive at least thirty (30) days' advance written notice prior to cancellation, amendment or termination of any such policy of insurance. Borrower shall, within thirty (30) days prior to the expiration of any such policy, deliver other original policies of the insurer evidencing the renewal of such insurance together with evidence of the payment of current premiums therefore. Borrower shall at its expense furnish evidence of the replacement value of the improvements on the Premises in form satisfactory to Lender on renewal of insurance policies or upon request of Lender. Insurance coverage must at all times be maintained in proper relationship to such replacement value and must always provide for agreed amount coverage. Failure to maintain proper insurance shall be an Event of Default hereunder. In the event of a foreclosure of the Security Instrument or any acquisition of the Premises by Lender, all such policies and any proceeds payable therefrom, whether payable before or after a foreclosure sale, or during the period of redemption, if any, shall become the absolute property of Lender to be utilized at its discretion. In the event of foreclosure or the failure to obtain and keep any required insurance, Borrower empowers Lender to effect insurance upon the Premises at Borrower's expense and for the benefit of Lender in the amounts and types aforesaid for such period of time as Lender deems appropriate, including a period of time covering the time of redemption (if any) from foreclosure sale, and if necessary therefor, to cancel any or all existing insurance policies. Borrower agrees to furnish Lender copies of all inspection reports and insurance recommendations received by Borrower from any insurer. Lender makes no representations that the above insurance requirements are adequate protection for a prudent company. If a tenant of Borrower is required to maintain insurance under any lease terms and provisions, Lender will accept such policy or policies, provided the same meet the requirements hereinabove recited. In the event that the tenant fails to maintain such insurance, Borrower will obtain the policy or policies required herein.

Lender:

Lighthouse Funding LLC & or its assignees
1767 Morris Ave Suite # 301
Union NJ 07083