

(c) The Lender or Lenders shall agree (and shall deliver to the Mortgagors heretofore evidence of such agreement reasonably satisfactory to the Mortgagor hereof):

(i) That the Phase II Premises shall be released from the Lien of the Construction Encumbrances on the payment of the aggregate sum equal to the lesser of (a) the principal balance of the Construction Note or Notes secured by the Construction Encumbrance or Encumbrances covering the Phase II Premises or (b) \$2,423,300; and

(ii) That the Phase III Premises shall be released from the Lien of the Construction Encumbrances on the payment of the aggregate sum equal to the lesser of (a) the principal balance of the Construction Note or Notes secured by the Construction Encumbrance or Encumbrances covering the Phase III Premises or (b) \$1,231,553.

(d) No Construction Encumbrance will secure (and no rights will be exercisable thereunder by reason of breach or default under) any obligation, indebtedness, claim or right except for:

(i) the Construction Note executed in connection therewith, including any modifications, extensions or renewals thereof;

(ii) the covenants relating to Said Premises made in such Construction Encumbrance; without limitation on the generality of the foregoing, no Construction Encumbrance will secure any monetary debts or obligations except those evidenced by the related Construction Note or consisting of costs and charges related to enforcement of such Construction Encumbrance upon default thereunder. Events of default under a Construction Note shall be limited to the failure to pay the monetary obligations evidenced by such Construction Note and default in the performance of or compliance with such covenants specified in such Construction Encumbrance.

(e) Except for rate of interest and maturity dates, the other terms and provisions of each Construction Encumbrance shall be no more onerous or disadvantageous to the Mortgagor or Mortgagee hereof than those contained in the Existing Encumbrance.

The Mortgagee hereof may, at its election, in lieu of causing a Construction Encumbrance to be placed against the Phase II Premises or Phase III Premises, cause the new construction loans for the same to be evidenced by the Existing Note and the foregoing provisions respecting the Construction Notes and Construction Encumbrances and the loans made thereunder shall pertain to the Existing Note and Existing Encumbrance and the loans made thereunder so far as the same affects the Phase II Premises or the Phase III Premises, (including, but not limited to, an agreement of the Lender of the Existing Encumbrance to the same effect, with respect to the Existing Encumbrance, as hereinabove specified in Paragraph 2(c) hereof with respect to the Construction Encumbrances).

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