

(d) In the event of loss or damage, the proceeds of said insurance, if Mortgagor notifies Mortgagee by written notice given within 60 days following such loss or damage of its intention to rebuild or repair the mortgaged premises, shall be applied by the Mortgagee to the payment of the cost of repairing, restoring or rebuilding the improvements on the mortgaged premises so damaged or destroyed (hereinafter referred to as the "work"), subject to the following conditions:

(i) If the amount of the insurance proceeds is \$250,000 or less, then upon approval by the Mortgagee of the plans and specifications for the work, which approval shall not be unreasonably withheld or delayed (it being nevertheless understood that to the extent feasible said plans and specifications shall provide for such work that, upon completion thereof, the improvements shall be at least equal in value and general utility to the improvements which were on the mortgaged premises prior to the damage or destruction), and receipt by the Mortgagee of sufficient security or other assurances acceptable to it to cover any estimated costs of completion of the work in excess of the insurance proceeds, then Mortgagee shall deliver the full amount of such proceeds to Mortgagor. Thereupon, Mortgagor shall promptly commence the work and proceed diligently to the completion thereof.

(ii) If the amount of the insurance proceeds exceeds \$250,000, the work shall be supervised by an architect or engineer (who may be an employee of the Mortgagor) and before the Mortgagor commences any work, other than temporary work to protect property or prevent interference with business, the Mortgagee shall have approved the plans and specifications for the work to be submitted by the Mortgagor, which approval shall not be unreasonably withheld or delayed, it being nevertheless understood that to the extent feasible said plans and specifications shall provide for such work that, upon completion thereof, the improvements shall be at least equal in value and general utility to the improvements which were on the mortgaged premises prior to the damage, destruction or taking. The Mortgagee or its designee shall hold such proceeds and shall disburse same from time to time (but no more frequently than every 30 days) upon receipt of a request for payment in form and substance satisfactory to Mortgagee and subject to the following additional conditions: