

tion, Mortgagor shall submit to Mortgagee for Mortgagee's prior written approval, which shall not be unreasonably withheld or delayed, a complete set of architectural plans and specifications for the restoration. All work in connection with the restoration shall be performed in a good and workmanlike manner and in compliance with all applicable laws, rules and regulations of all governmental authorities having or asserting jurisdiction and Mortgagor shall obtain all required permits and licenses in connection therewith and upon completion of the restoration a final certificate of occupancy. Any such monies received by Mortgagee shall be paid to Mortgagor (unless an Event of Default shall have occurred) upon the following conditions:

A. Receipt by Mortgagee of a certificate of Mortgagor signed by the President or General Partner, as the case may be, of Mortgagor (i) requesting payment of a specified amount of such insurance monies; (ii) describing in reasonable detail the work and materials to the cost of which such specified amount is to be applied and stating that such work and materials constitute part of the restoration, that such work has been done, and that such materials are in place; (iii) stating that such specified amount does not exceed the cost of such work and materials, and (iv) stating that no part of such costs has previously been made the basis of any request for the withdrawal of any monies from Mortgagee.

B. Receipt by Mortgagee of a certificate of a supervising architect or engineer who shall have been designated by Mortgagor stating that (i) the work and materials described in the accompanying certificate of Mortgagor were necessary or appropriate to the restoration, that such work has been done, and that such materials are in place; (ii) the amounts specified in such certificate of Mortgagor do not exceed the reasonable cost of such work and materials, and (iii) specifying the additional amount, if any, required to complete the restoration.

C. Receipt by Mortgagee of a title endorsement or an opinion of counsel satisfactory to Mortgagee or other evidence satisfactory to Mortgagee that there exists no mechanics', laborers', materialmen's, vendors' or similar lien, encumbrance or charge on the Mortgaged Property or any part thereof except such, if any, as are to be discharged simultaneously with the making of the payment requested.

D. The restoration is proceeding as described in the certificates. If Mortgagee elects to employ an independent architect to verify the accuracy of the foregoing, then Mortgagor and Mortgagee shall each pay one-half of such architect's fees therefor.