

construction will be performed, shall be subject to the prior written approval of Grantee which approval shall not be unreasonably withheld. Said general contractors shall be insured and bonded, and Grantor shall cause to be maintained such insurance, and construction shall be paid for, all in the same manner as provided for in Section 6.2. All such insurance monies not required to be used for such purposes shall, upon receipt by Grantee of a certificate by the Designated Representative of Borrower to the effect that the work has been completed and that no liens exist, be disposed of as provided in Section 403 of the Indenture as if same were surplus construction monies remaining in the Construction Fund following completion of the original construction of the Project. If the amount in the Insurance and Condemnation Proceeds Fund shall be insufficient to pay in full the cost of all repairs, restorations, rebuilding and replacements of said damaged or destroyed Facilities, Grantor shall, subject to the provisions of Section 2.5 of the Loan Agreement, promptly pay as Additional Payments into the Insurance and Condemnation Proceeds Fund such additional sums of money as may be necessary to fully complete all such repairs, restorations, rebuilding and replacements, and Grantor will not by reason of the payment of such deficiency be entitled to any reimbursement from Grantee or to any abatement or diminution of the Loan Payments or Additional Payments payable under the Loan Agreement.

Section 7.4. Application of Insurance Monies in Event of Grantor's Default. Anything in this Article to the contrary notwithstanding, Grantee shall have the right at any time and from time to time to withhold payment of all or any part of the insurance monies to Grantor in the event (i) Grantor is in default in the payment of any Loan Payments or Additional Payments, (ii) Grantee or the Issuer has given notice to Grantor of any other default on Grantor's part under this Agreement or the Loan Agreement or (iii) a default described under Section 7.1(c), (d), or (e) of the Loan Agreement has occurred. In the event any event of default hereunder has occurred and is then continuing, Grantee may, in accordance with Section 7.1 of the Loan Agreement, cause all monies in the Insurance and Condemnation Proceeds Fund to be deposited into the Redemption Account. In the event Grantor shall cure the defaults specified in (i) and (ii) above or a default specified in (iii) above shall cease to exist, Grantee shall make payments from any insurance monies remaining in the Insurance and Condemnation Proceeds Fund to Grantor in accordance with the provisions of this Article.