

second to the payment of any other indebtedness that is secured by this Mortgage and third, to the extent proceeds remain after the foregoing payments, to Mortgagor.

(ii) After the conditions of Section 1.10(b)(i) of this Mortgage have been complied with and Mortgagee has elected to allow Mortgagor to restore the Improvements (and if the Net Condemnation Proceeds are not paid as provided in the last sentence of such Section because the Lease has not terminated regardless of whether the Improvements Lease has terminated or not), the Net Condemnation Proceeds and all income earned thereon or received on account of any Condemnation shall, unless Mortgagor is in default hereunder, be paid to Mortgagor or as Mortgagor may direct, from time to time as Restoration progresses, to pay (or reimburse Mortgagor for) the cost of Restoration. Such payment shall be made only upon written Request of Mortgagor. Each Request for Condemnation Proceeds shall be accompanied by (a) a certificate of Mortgagor (a "Mortgagor's Condemnation Certificate") that describes the portion of the Restoration for which Mortgagor is requesting payment, sets forth the cost of such portion of the Restoration and states that Mortgagor has not theretofore received payment for such cost and (b) a certificate of an independent architect satisfactory to Mortgagee (an "Architect's Condemnation Certificate") which states that the amount requested by Mortgagor in the accompanying Mortgagor's Condemnation Certificate has been paid (or is then due and payable) and is proper. Within ten days after receipt of (i) the foregoing certificates, (ii) evidence satisfactory to Mortgagee that there are no mechanic's or similar liens for labor or materials supplied in connection with Restoration to the date of the Request for Condemnation Proceeds (or that any such liens have been adequately provided for) and (iii) evidence satisfactory to Mortgagee that the balance of the Net Condemnation Proceeds and other monies to be made available by Mortgagor pursuant to Section 1.10(b)(i) hereof, after making the payment requested, will be sufficient to pay the balance of the cost of Restoration, Mortgagee shall direct the Investor Institution to pay over to Mortgagor, out of Net Condemnation Proceeds, ninety percent of the amount set forth in Mortgagor's Condemnation Certificate, the remaining ten percent of such amount (the "Condemnation Retainage") to be held by the Investor Institution until the completion of the Restoration and then, upon such completion, to be paid to Mortgagor by the Investor Institution upon the direction of Mortgagee. Upon receipt by Mortgagee of evidence satisfactory to it that Restoration has been completed and the cost thereof paid in full, and that there are