

were on the mortgaged premises prior to the damage or destruction), and receipt by the Mortgagee of sufficient security or other assurance 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 \$50,000, 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:

(A) Each request for payment shall be delivered to the Mortgagee at least 7 days prior to the requested date of disbursement and shall be accompanied by a certificate to be made by such architect or engineer, stating (1) that all of the work completed has been done in compliance with the approved plans and specifications, (2) that the sum requested is justly required to reimburse the Mortgagor for payments by the Mortgagor to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other persons rendering services or materials for the work (giving a brief description of such services and materials), and that when added to all sums previously paid out by the Mortgagee does not exceed the value of the work done to the date of such certificate, and (3) that the amount of such proceeds remaining in the hands of the Mortgagee will be sufficient on completion of the work to pay for the same in full (giving in such reasonable detail as the Mortgagee may require an estimate of the cost of such completion;

(B) Each request shall be accompanied by waivers of lien satisfactory to the Mortgagee covering that