

evidence of the accuracy thereof, reasonably satisfactory to Mortgagee, showing that the total cost of Restoration exceeds Net Insurance Proceeds, then Mortgagor shall have no obligation to so restore the Improvements and Mortgagee shall direct the Investor Institution to pay all Net Insurance Proceeds received by it first to the prepayment of the Note, 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 1.05(c)(i) of this Mortgage have been complied with (and if the Net Insurance 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), Mortgagor shall be entitled to receive from the Investor Institution Net Insurance Proceeds upon written request to the Mortgagee. Mortgagor shall deliver to Mortgagee requests for disbursements out of the Net Insurance Proceeds ("Request"). Each Request shall be accompanied by (a) a certificate of Mortgagor (each, a "Mortgagor's Insurance 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 (each an "Architect's Insurance Certificate") which states that the amount requested by Mortgagor in the accompanying Mortgagor's Insurance 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 (or that any such liens have been adequately provided for) and (iii) evidence satisfactory to Mortgagee that the balance of the Net Insurance Proceeds and other monies to be made available by Mortgagor pursuant to Section 1.05(c)(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 Insurance Proceeds, ninety percent of the amount set forth in Mortgagor's Insurance Certificate, the remaining ten percent of such amount (the "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