

mortgage is still a valid and prior lien in all respects and that there are no mechanics', laborers', materialmen's, contractors' and/or sub-contractors' liens and notices of such liens existing against said property.

(2) In the event of any fire or other casualty loss of \$100,000.00 or more, including complete destruction, as to any improvements located on the property described in said mortgage, and in the event the Borrower is then obligated to rebuild or repair the damaged or destroyed premises pursuant to the terms of the Lease on the same, then the following procedure shall be followed with respect to the avails or proceeds of all fire or other casualty insurance policies covering said premises:

(a) The Borrower shall submit to the Lender, for its approval, plans and specifications, which if carried out, will place the damaged or destroyed premises in the same or a better condition than existed at the time immediately preceding such damage or destruction. Such plans and specifications shall be accompanied by a firm bid from a financially reliable contractor satisfactory to the Lender, or accompanied by a completion bond satisfactory to the Lender covering a firm bid by any contractor for the total repair or rebuilding costs pursuant to said plans and specifications. If such a completion bond is furnished, then the contractor, whose bid accompanies said plans and specifications, shall not be required to be approved by the Lender. Any contract entered into by the Borrower with a

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