

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 part of the work for which payment or reimbursement is being requested and by a search prepared by a title company or by other evidence satisfactory to the Mortgagee that there has not been filed with respect to the mortgaged premises any mechanic's or other lien or instrument for the retention of title not discharged of record in respect to any part of the work, and the title insurance company shall have committed to issue an endorsement to the mortgage policy of title insurance on the mortgaged premises insuring the continued priority of this Mortgage as a first lien upon the mortgaged premises as to the full amount of the Mortgage Indebtedness then outstanding;

(C) No event of default shall have occurred and be continuing under this Mortgage;

(D) The request for any payment after the work has been completed shall be accompanied by a copy of any certificate or certificates required by law to render occupancy of the mortgaged premises legal; and

(E) Such other conditions as Mortgagee may reasonably impose.

Upon the completion of the work and payment in full therefor, or upon any failure on the part of the Mortgagor promptly to commence or continue the work, or at any time upon request by the Mortgagor, the Mortgagee may, at its option, either apply the amount of any such proceeds then or thereafter in the hands of the Mortgagee to the payment of the Mortgage Indebtedness or any portion thereof, whether or not then due and payable, or remit such amount to the Mortgagor.

(iii) In the event Mortgagor elects not to repair or rebuild, or in the event an event of default has occurred hereunder and is continuing, then such proceeds shall at the election of Mortgagee be applied first toward reimbursement of all costs and expenses of the Mortgagee in collecting such proceeds and then toward payment of the Mortgage Indebtedness or any portion thereof, whether or not then due or payable.

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