

acquisition, construction or improvement of land or property of a character subject to the allowance for depreciation for purposes of Section 103(b)(6)(D) of the Code.

(b) Standard AIA Form G-702 signed by a representative of Craig, Gaulden & Davis Architects, Inc., and, where appropriate, O'Neal Engineering, Inc., certifying that the items for which payment is requested have been completed to the extent indicated in accordance with the Plans and Specifications or, in the case of materials, that such materials have been delivered to the Project and conform to the Plans and Specifications.

(c) An endorsement from the title insurer indicating that there has been no change in the state of the title to the premises and increasing the coverage of the title insurance policy by an amount equal to the advance requested, without exception for mechanic's or materialman's liens.

(d) A current survey, if required by the title insurance company and/or the Agent.

(e) Invoices for the Leased Equipment, together with satisfactory evidence that such equipment has been delivered to the site, and approved by the Lessee and is subject to the lien of the Mortgage.

Each requested advance shall, at the option of the Agent, be subject to a ten (10%) per cent retainage for labor performed or materials furnished in connection with the construction; provided, however, that so long as the undisbursed balance of the Construction Fund shall be sufficient to complete the Project, advances for the purchase of the Leased Equipment and advances for subcontract work which has been fully and properly completed shall not be subject to retainage.

Upon approval by the Agent of each requested advance, the Agent shall deliver the foregoing items to the Construction Fund Trustee, together with its request that the Trustee advance for the account of the Lessee the amount approved. The Construction Fund Trustee shall thereupon honor such request and when acting upon the written request and approval of the Agent and Authorized Lessee Representative, the Construction Fund Trustee shall have no liability with respect to payments made in accordance with such

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