

ACCEPTANCE BY CONTRACTOR

The undersigned, being the general contractor for the construction and/or development of the improvements mentioned in the foregoing Construction and/or Development Loan Agreement (hereinafter sometimes called "Loan Agreement"), in consideration of the Lender making the loan therein mentioned hereby agrees with the Lender as follows:

1. All rights, liens and claims of the undersigned as general contractor are hereby subordinated to the lien, operation and effect of the loan and mortgage of the Lender.
2. At the time of each draw the undersigned will furnish to the Disbursing Agent proof of paid construction and/or development costs equal to the total disbursements previously made, in accordance with the provisions of the said Loan Agreement.
3. Not to undertake or perform any extra work or furnish extra materials or change the construction or development work from the plans and specifications unless the same is agreed to in writing by the Lender and others, as required in said Loan Agreement.
4. To complete the construction and/or development of said improvements in accordance with the construction contract entered into between the undersigned and the Borrower named in the foregoing Loan Agreement, and in compliance with the provisions applicable to the contractor in said Loan Agreement.
5. To fully construct and complete the improvements on or before the time specified in Paragraph 2 (h) of the Loan Agreement in a first-class, workmanlike manner according to the construction contract and the plans and specifications for the contract amount, with all claims for labor and materials paid in full, free and clear from mechanics' and materialmen's liens, furnishing lien waivers, paid bills and all affidavits requested by Disbursing Agent or Lender in accordance with forms and procedures approved by them, and, upon completion, to furnish Lender with written acceptance of the improvements by Mortgagor.
6. To comply with all regulations, ordinances, and laws of all public and private authorities having jurisdiction over the property and with all rules and regulations of any governmental agency insuring the loan; and to locate the improvements on the property according to the plot plan, to comply with all building and set-back line requirements and encroach on no easements, and to provide surveys showing that the foundations of all improvements have been properly located, all prior to being entitled to any payments hereunder.
7. To furnish Lender with a detailed cost breakdown including names of all subcontractors and material suppliers, the amounts of their contracts, the amount of Contractor's anticipated profit and all other items for which payments are to be made by Lender or Disbursing Agent or Borrower and to immediately notify Lender and Disbursing Agent of any change in said contract amounts or estimated costs.
8. To execute Loan progress advance requisitions or vouchers authorizing payments for labor, materials and services on forms and in accordance with procedures approved by Lender and Disbursing Agent. No payments for labor, material or services will be authorized in excess of estimated cost as represented to Lender, without prior consent of Lender, and until labor and/or material have been incorporated in construction.
9. To furnish insurance policies, with premium paid receipts, for the period of construction in favor of the Borrower, Contractor, and Lender, as their interests may appear, protecting against perils of workmen's compensation, public liability, property damage, and such other insurance policies regularly and customarily provided by general contractors as may be required by Lender.
10. To request payment of no portion of his profit until all costs of development and/or construction of improvements have been paid in full and the improvements have been accepted by Borrower.
11. That should he breach any provision hereof and fail or neglect to again properly begin to correct such breach within seven (7) days after receiving written notice from Borrower or Lender of his default, or should the work cease for ten (10) consecutive days for causes other than those beyond his control, it shall be concluded that he has breached and abandoned this Agreement. Determination by Lender that Contractor has either breached or abandoned development and/or construction shall be binding on Contractor and Borrower. In the event of such breach or abandonment, Contractor shall have no claim to any sums on deposit with Lender or Disbursing Agent, and shall have no mechanics' lien rights or other claims against the property or against Lender for any work or labor done or services performed.

GENERAL CONTRACTOR:

NORTH AMERICAN CONSTRUCTION

DATE:

July
June 18, 1972

By:

Dean Kesper
Authorized Company Officer

(SEAL)

TITLE:

Vice President

