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BUILDING LOAN CONTRACT 8/70-SM-FORM M-34

JUN 18 1973

DONNIE S. TANKERSLEY

BOOK 1281 PAGE 857

Building Loan Contract

Building Loan Contract made the 1st day of May, 1973, between

NATIONAL ASSETS MANAGEMENT CORPORATION, a Pennsylvania Corporation, having its principal place of business at 20 Moores Road, Frazer, Pennsylvania.

hereinafter referred to as the borrower, and SECURITY NATIONAL BANK, a national banking association, having its principal office at No. 350 Main Street, Huntington, in the County of Suffolk and State of New York, hereinafter referred to as the lender. 115 Broad Hollow Road, Melville, New York.

PRELIMINARY STATEMENT

The borrower is the owner of the premises described in Schedule A annexed hereto (the "premises"). The borrower has applied to the lender for a loan of \$5,325,920.00 (the "loan") to finance the construction on the premises of certain improvements (the "improvement") described in paragraph 3 below.

NOW THEREFORE, the parties agree as follows:

1. The lender hereby accepts the application for the loan and agrees to make the loan, subject to the terms, conditions and provisions of this building loan contract (this "agreement"), and the borrower agrees to take the loan. The loan shall be evidenced by a note made by the borrower to the order of the lender in the principal amount of the loan, or so much thereof as may be advanced (the "note") and shall be secured by a building loan mortgage (the "mortgage"). The mortgage shall be duly executed and acknowledged by all persons necessary to grant the lender a valid first lien on and security interest in the premises, the improvements, the fixtures, the personal property and all other property and rights intended to be covered by the mortgage, securing all sums that may be advanced, free and clear of all liens, security interests, encumbrances and defects except those, if any, to which the lender now or hereafter accepts in writing. The note and mortgage shall be in form and substance satisfactory to the lender.
2. With the approval of the lender, the note may evidence, and the mortgage may be written to secure indebtedness in a sum larger than the amount of the loan, but the lender shall not be obligated to advance more than the amount of the loan, and the loan may be evidenced by more than one note aggregating the amount of the loan and be secured by more than one mortgage each covering a portion of the premises; in that case reference herein made to the note or mortgage shall be deemed to include all of the notes or mortgages.
3. The borrower shall continuously and with reasonable dispatch construct the improvement described below on the premises in accordance with the plans and specifications therefor which have been submitted to and approved by the lender in writing. The borrower will not make any changes or amendments in the plans and specifications or in the improvement without first obtaining the written approval of the lender and, as a condition to obtaining such approval, shall obtain all required approvals of such changes or amendments by the governmental authorities having jurisdiction, evidenced in a manner satisfactory to the lender. The said improvements to be made shall be as follows:

Twenty-three two (2) story wood and stucco condominium apartment buildings containing 222 units, with recreational facilities and parking for 462 cars to be located on the premises.

4. The improvement shall comply with the building permit issued therefor, with all applicable zoning regulations, rules and ordinances, and any zoning variances granted by the governmental authorities having jurisdiction, and with all declarations, restrictions, covenants and other matters of record. The improvement shall also be constructed and equipped in accordance with the requirements of all municipal and governmental authorities having jurisdiction and of the appropriate Board of Fire Underwriters or similar agency and the electrical bureau, authority or agency acting in and for the locality in which the premises are situated. No advance shall be due unless the improvement shall comply with all of the requirements of this paragraph and the final advance shall not be due until the borrower shall, among other things, produce a final or permanent Certificate of Occupancy issued by the municipal or governmental authority or authorities having jurisdiction and the certificate of approval of the Board of Fire Underwriters or similar agency acting in and for the locality in which the premises are situated.

5. The borrower represents, warrants and agrees with the lender that:

- (a) The plans and specifications have been submitted to and approved by all governmental authorities having jurisdiction in the premises and all necessary building permits therefor have been obtained or will be obtained from such authorities before the making of the first advance under this agreement;
- (b) The premises or any structure thereon is not now damaged or injured as a result of any fire or other casualty;
- (c) There has not been any condemnation or eminent domain proceeding commenced or, to the knowledge of the borrower, threatened against the premises;
- (d) The borrower does not have any knowledge of any note or notices of violations of Federal or state law or of municipal ordinances, or of orders or requirements of any Federal, state, municipal or other governmental authority having jurisdiction in the premises;
- (e) The borrower is a corporation duly organized, existing and in good standing under the laws of the State of New York and has the corporate power, authority and legal right to carry on the business now being conducted by it and to engage in the transaction contemplated by this agreement, the note and the mortgage in New York, Pennsylvania and South Carolina;

* Pennsylvania

- (i) The execution and delivery of and the carrying out of the transactions contemplated by this agreement, the execution and delivery of the note and mortgage, and the performance and observance of all the provisions of all the foregoing, have been duly authorized by all necessary corporate and stockholder action of the borrower and will not conflict with or result in the breach of the terms or provisions of any existing law or any existing rule, regulation or order of any court or governmental body, or of the Certificate of Incorporation or the By-laws of the borrower; and

*See paragraph #38