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(the "Permanent Lender") has issued a commitment dated 19... for a permanent mortgage loan in the principal amount of \$... to be made upon completion of the improvement, it has delivered to the lender true copies of the commitment and all correspondence or writings related to the commitment, and the commitment is valid and outstanding at the date hereof. Without the written consent of the lender, the borrower will not modify or cancel or permit the modification or cancellation of the commitment. The borrower will perform all of the obligations contained in the commitment and in any agreements, documents, instruments or other papers entered into pursuant thereto and comply with all of the terms contained therein and to which the obligation of the Permanent Lender is subject. As a condition precedent to the first advance hereunder, the borrower shall deliver satisfactory evidence of the Permanent Lender's approval of the plans and specifications for the improvement submitted to the lender, the title to the premises as shown by the title certificate, as recertified on the date of the first advance, the survey furnished at the first advance, the mortgage instruments executed by the borrower at or prior to the first advance and any other matters which constitute a condition precedent to the obligation of the Permanent Lender to make the permanent mortgage loan and which may be satisfied at or prior to the first advance. As a condition precedent to any subsequent advance, the borrower shall deliver satisfactory evidence of the Permanent Lender's approval of any matter, not previously approved in full, which constitutes a condition precedent to the obligation of the Permanent Lender to make the permanent mortgage loan and which may be satisfied at or prior to such subsequent advance. As a condition precedent to the approval by the lender of any supplemental plans and specifications, the borrower shall deliver the approval of the Permanent Lender of such supplemental plans and specifications.

* No permanent lender is presently committed.

6. The loan is to be advanced at such times and in such amounts as the lender in its sole judgment may approve. In no event will the amount advanced be in a greater proportion than the loan bears to the total cost of construction of the improvement. The loan will be advanced tentatively in accordance with the Payment Schedule annexed hereto and made a part hereof.

7. No advance shall be due unless, in the judgment of the lender, all work usually done at the state of construction when the advance is made payable has been done in a good and workmanlike manner, and all materials and fixtures usually furnished and installed at that time are furnished and installed, and unless all construction has been approved by an engineer or architect satisfactory to the lender, but the lender may advance parts or the whole of any installments before they become due, if the lender believes it advisable so to do, and all such advances or payments shall be deemed to have been made in pursuance of this agreement and not to be modifications thereof. The making of any advance or any part of an advance shall not be deemed an approval or acceptance by the lender of the work theretofore done. Any advance or installment or any part or parts thereof may be postponed or deferred by mutual consent of the borrower and the lender, and any such postponement or postponements shall be deemed to be in pursuance of this agreement and not in modification thereof. A receipt for any advance shall be binding on the borrower although signed by any one of the individual parties constituting the borrower, any one partner, if the borrower is a partnership, or any one officer, if the borrower is a corporation.

8. The lender may require five days' notice in writing from the borrower before making any advance. All advances are to be made at the office of the lender or at such other place as the lender shall designate.

9. The lender may at any time extend the payment of the principal secured by the note and the mortgage, and any extensions so granted shall be deemed made in pursuance of this agreement and not to be modifications thereof.

10. The borrower shall fully and punctually pay and discharge any and all costs and expenses for the construction and equipment of the improvement as the same become due and payable and pay and discharge all proper claims and demands for labor and materials used in the construction of the improvement which are or, if unpaid, may become liens on the premises.

11. As a condition precedent to the first advance, the borrower shall furnish, or cause to be furnished, to the lender, a title certificate issued by a title insurance company or companies satisfactory to the lender which shall be at the time of the first advance recertified so as to be a binder for a title insurance policy in the face amount of the loan, insuring the interest of the lender, as mortgagee, as the holder of a valid and enforceable first lien on the premises, free and clear of all liens, encroachments and other exceptions to title whatsoever except those, if any, which the lender has agreed to take subject to, at or prior to the first advance. As a condition precedent to each subsequent advance, such title company or companies shall continue the title searches to the date of each such advance and shall certify to the lender in writing that such continuations disclose no liens, encroachments or other exceptions to title whatsoever, except those, if any, which the lender has agreed to take subject to, at or prior to the first advance. Such title certificates, binders or policies of title insurance shall provide that they shall be assignable to a successor mortgagee upon the assignment of the mortgage by the lender to such successor mortgagee.

12. As a condition precedent to the first advance, the borrower shall furnish, or cause to be furnished, to the lender an original current survey of the premises to be made by a surveyor satisfactory to the lender and the title company or companies and guaranteed to such parties showing, among other things:

- (A) the location by courses and distances of (i) the plot covered by the mortgage; (ii) the relation of the point of beginning of the premises to the monument from which it is fixed; (iii) all servient easements; (iv) the established building line; (v) all dominant easements appurtenant to the premises; and (vi) the line of the street or streets abutting the premises and the width of such streets;
- (B) encroachments and the extent thereof in terms of feet and inches upon the premises or any dominant easement appurtenant thereto;
- (C) if any improvements have been constructed before the date of the first advance, all foundations, structures and improvements on the premises and relation thereof by distance to (i) all boundary lines of the premises; (ii) servient easements; (iii) established building lines; and (iv) street lines.

If the premises are described as being on a filed map, the survey shall contain a legend relating the plot to the map on which it is shown. The survey must disclose, and provide assurance satisfactory to the lender, (1) that the improvements erected or to be erected lie wholly within the boundaries of the premises, (2) that no part thereof will encroach upon or overhang any easement or right-of-way or upon the land of others, (3) that the improvement when fully erected, shall be wholly within the building restriction line, however established, and will not violate any use or other restriction contained in prior conveyances, zoning ordinances or regulations, and (4) that no adjoining structure encroaches upon the premises or upon any dominant easement appurtenant thereto. As a condition precedent to each subsequent advance, the survey shall be redated to the time of each such advance, and an original print thereof supplied to the title company or companies which shall certify to the lender that the survey, as redated, discloses no variations, encroachments or violations of set-backs of record or other restrictions other than any which the lender may waive. In addition thereto, the borrower shall furnish to the lender, or the lender may procure, at the expense of the borrower, surveys made by the surveyor whenever required by the lender.