

13. As a condition precedent to the first advance, the borrower shall furnish to the lender, premiums prepaid, or the lender may procure at the expense of the borrower, insurance policies in companies, forms and amounts satisfactory to the lender insuring the premises against loss or damage by fire (in Builder's Risk Completed Value Non-Reporting Form, including extended coverage) and other hazards as may be reasonably required by the lender. The borrower shall cause Workmen's Compensation Insurance to be carried covering all liability of the borrower under Workmen's Compensation laws, shall maintain Public Liability Insurance in amounts and companies satisfactory to the lender, and shall furnish the lender with certificates evidencing such insurance.

14. The lender may, at any time by notice to the borrower, appoint a supervising architect or engineer who shall fulfill the duties and execute the certificates and other papers required in this agreement to be performed or executed by an architect or engineer. The borrower will, in order to enable such appointee conveniently to perform his duties to the lender, cooperate with him and cause the borrower's architect, contractor, subcontractor and the employees of each of them to cooperate with him, and upon his request, to furnish him whatever he may consider necessary or useful in connection with the performance of his duties aforesaid, including without limiting the generality of the foregoing, working details, plans and specifications and details thereof, samples of materials, licenses, permits, relevant certificates of public authorities, applicable zoning ordinances and building codes. If such appointee shall be, or for any reason becomes, disqualified or unable to act or continue to act as supervising architect, or if his services are terminated, the lender may appoint a successor who shall have the same duties to the lender and shall be entitled to the same cooperation. The borrower acknowledges that the duties of the supervising architect or engineer run solely to the lender and that he shall have no obligations or responsibilities whatsoever to the borrower or to any of the borrower's agents, employees or contractors.

15. (a) The borrower, at the time of the execution of this agreement or, at the option of the lender, at the time fixed for delivery of the mortgage, shall pay all fees and charges agreed to be paid, including, without limitation, the fees, if any, for the procuring and making of the loan, and the charges for the examination of title to the premises, surveys, appraisals, inspections, fees and disbursements of the lender's attorneys, recording or filing fees for all instruments to be recorded or filed, mortgage recording, documentary, transfer or similar taxes and revenue stamps and architects', engineers' and building loan service fees.

(b) The lender may deduct from any payment to be made under this agreement any amount necessary for the payment of the fees and charges described in subparagraph (a) of this paragraph 15 and for the payment of any insurance premiums, real estate taxes and assessments, water rates, sewer rents and any mortgages (by assignment or satisfaction), other charges, liens and encumbrances upon the premises, whether existing before or after the making of the loan, and any other amounts included within the payment of the cost of improvement (as defined by the Lien Law).

16. All sums paid or expended by the lender in accordance with any of the provisions of this agreement shall be deemed advances to the borrower and to be secured by the note and the mortgage.

17. The borrower shall:

(a) advise the lender of the progress of construction so that the lender will be able to inspect the construction of the improvement, or any component or system thereof, at the appropriate time for such inspection;

(b) permit the lender and its representatives to enter upon the premises and to inspect the improvement at any reasonable time and to examine all detailed plans, shop drawings and specifications which are kept at the work and furnish any of them copies of any of such plans, drawings or specifications as may be requested;

(c) disclose to the lender, upon demand, the names of all persons with whom the borrower has contracted or intends to contract for the construction of the improvement or the furnishing of labor or materials therefor and, upon request, furnish the lender with copies of all such contracts or any contracts, bills of sale, statements, receipted vouchers or agreements under which the borrower claims title to any materials, fixtures or personal property used in the construction or operation of the improvement or appurtenant thereto;

(d) deliver an affidavit, upon request, to the effect that all the materials, fixtures or personal property used in connection with the construction or operation of the improvement or appurtenant thereto, shall be free and clear of all security interests, liens or other encumbrances whatsoever and that the borrower is the absolute owner of such materials, fixtures or personal property;

(e) use only such materials, fixtures or personal property in the construction of the improvement as are called for by the plans and specifications approved by the lender;

(f) furnish, or cause to be furnished, to the lender from time to time upon request any financial information reasonably requested by the lender with respect to the construction of the improvement and the amount of funds required at any time to complete and pay for the construction or with respect to the financial condition of the borrower or of any guarantor of the borrower's obligations on the note and the mortgage or under this agreement, including, without limitation, within 90 days after the end of the fiscal year of the borrower or any such guarantor, a statement of income and expense with respect to the premises for such year, together with annual balance sheets, all prepared by certified public accountants, setting forth the corresponding figures for the previous fiscal year, all in reasonable detail satisfactory to the lender;

(g) furnish, within three days upon request in person or within five days upon request by mail, an estoppel certificate or written statement, duly acknowledged, stating the amount advanced to it under this agreement and the amount due on the mortgage and whether any offsets or advances exist hereunder or against the indebtedness secured by the mortgage.

18. The borrower shall not:

(a) execute any security agreement on any materials, fixtures or personal property used in the construction or operation of the improvement or appurtenant thereto or purchase any such materials, fixtures or personal property on conditional bills of sale or other title retention agreements or security agreements so that ownership thereof will not vest unconditionally in the borrower, free from security interest, liens or other encumbrances on delivery at the premises;

(b) permit the premises to be occupied before this agreement shall have been fully performed and the final advance made hereunder; AND except as permitted by law, on stages agreed

(c) permit the premises to be encumbered by any security interest, liens or other encumbrances equal to or having a priority over the lien of the mortgage so long as this agreement shall be in effect.

upon by the Borrower and Lender.