

submission to the Lender, shall become the property of Lender, shall include provisions for (i) construction of convenient means of access for pedestrian and vehicular traffic to all buildings erected or to be erected on the premises, which means of access shall be paved if in the opinion of Lender such paving is necessary or desirable, (ii) installation of curbs, sidewalks, gutters, landscaping, utility connections (whether on or off the Premises) and all equipment which in the opinion of Lender is necessary or desirable for the development and/or construction and operation of the Mortgaged Property. Mortgagor agrees that no modifications of or amendments to the Plans and Specifications shall be made without first obtaining the approval in writing of Lender, the Contractor, if any, the Surety, if any, the Long Term Lender, if any, and all governmental authorities having jurisdiction of the Mortgaged Property. Mortgagor agrees to deliver to Lender, prior to the first advance being made under this Agreement a letter executed in behalf of the governmental authority having jurisdiction in respect of zoning laws and regulations affecting the Mortgaged Property or, if such governmental authority shall refuse to execute such letter, by a licensed architect or engineer approved by Lender, certifying that, upon completion of the Improvement in accordance with the Plans and Specifications, the Improvement will comply with all applicable zoning laws and regulations of such governmental authority. The Improvement shall be developed and/or constructed and equipped in full compliance with (i) the requirements of all governmental authorities having jurisdiction of the Mortgaged Property, including where applicable, the Veteran's Administration or Federal Housing Administration, (ii) the appropriate Board of Fire Underwriters or other similar body acting in and for the locality in which the Premises are situated, and (iii) any agreements between Mortgagor and the Contractor, if any, in respect of the construction of the Improvement. Mortgagor agrees that no modifications of or amendments to any such agreements with the Contractor shall be made without first obtaining the approval in writing of Lender, Long Term Lender, and such other persons or firms as Lender shall designate.

(c) That the Mortgagor is indefeasibly seized of said property in fee simple, except as to Current Taxes not yet due and payable, and restrictive covenants and restrictions containing no right of reverter or forfeiture of title in case of violation thereof. In support thereof, the Mortgagor shall furnish to the Lender or its agent, upon request, at the Mortgagor's expense, a master abstract continued to date, to become the property of Lender so long as the loan remains unpaid, or in the event Lender becomes the owner of the property.

(d) The Mortgagor shall cause the original mortgage to be recorded among the public records of the county in which the above described property is located, and the title searched subsequent to the date of the execution and recordation of the mortgage. Upon such search being completed, the Mortgagor shall cause to be issued to the Lender, either a title insurance policy or binder, whichever is required by Lender, with insurance premium fully prepaid and evidence thereof furnished to Lender, through a company or companies acceptable to the Lender and using standard latest revised American Land Title Association (ALTA) standard mortgage policy form, showing the mortgage to have been recorded and insuring that said mortgage is a valid first lien and that the Mortgagor is vested with a fee simple title, free and clear of all exceptions whatsoever, except said mortgage, current taxes not yet due and payable, and covenants and restrictions without right of reverter or forfeiture of title in case of violation thereof, and that the title insurer insures the Lender or its assigns, to the full amount of the mortgage and for all advances made or to be made thereunder, without exceptions as to mechanic's or materialmen's liens, or otherwise. All costs and expenses in connection with the issuance of the title insurance policy or binder shall be the obligation of the Mortgagor and not of the Lender.

(e) If said title binder or policy or any of the surveys shall show the title to the aforesaid premises to be defective or not as warranted above or so encumbered that said mortgage is not a first lien, the Mortgagor shall remove all such defects or objections within thirty (30) days after the Mortgagee or the title insuring agent issuing said policy or binder, notifies the Mortgagor of said defects or objections, so that the title will be acceptable to the Mortgagee and insurable as aforesaid. If the defects cannot be cured and the encumbrances removed and the title made acceptable and insurable as aforesaid within the time aforesaid, this Agreement shall, at the option of the Mortgagee, be null and void and of no force and effect, and in that event, the Mortgagor expressly agrees to reimburse the Mortgagee for all costs and expenses incurred by it in connection with such mortgage and this Agreement, including reasonable attorney's fees in connection with the defects or objections of the Development and/or Construction Loan, same to be immediately due and payable to Mortgagee and secured by the lien of said mortgage.

(f) To furnish the Mortgagee, as often as requested, (i) current corporate and personal financial statements signed and verified by the parties in such form and manner as may be required by the Lender, (ii) details relating in any manner to the financial condition of the Mortgagor, and (iii) budgets and revisions of budgets of Mortgagor showing the estimated cost of construction and/or development of the project and the amount of funds required at any given time to complete and pay for such construction and/or development.

(g) To provide builders' all-risk completed value, non-reporting form insurance, and other adequate hazard insurance to cover all development and/or construction work, buildings, improvements and off-site and on-site materials on properties covered by the mortgage and this Agreement, through a company or companies acceptable to the Lender, and in an amount equal to the full insurable value of the buildings and improvements. Loss under such insurance shall be payable first to the Mortgagee to the extent of its interest and lien. The original policy shall be in the possession of the Lender no later than the commencement of development, or commencement of construction if solely a construction loan, and the mortgagor shall pay the premium therefor before, or simultaneously with, the payment of the first Development and/or Construction Loan Advance. An insurance binder or other equivalent insurance coverage provisions may be substituted for the above when such alternate provision is considered by the Lender to be acceptable.

(h) To commence said development and/or construction not later than thirty (30) days from date hereof, and to carry same on continuously, diligently, and expeditiously, without cessation or stoppage of work, and without impeding either the usual and normal progress thereof, or the construction of said buildings and improvements, to be completed not later than 30 days prior to the due date specified in the mortgage note obligation.

(i) To remove by payment or bond of a surety company acceptable to Lender, any mechanic's or laborer's claim or lien filed against the above described property within five (5) days from date of filing thereof.

(j) To keep and maintain the development and/or construction mortgage of Lender as a first lien at all times upon the property of Mortgagor unencumbered thereby.

(k) To make no assignment for benefit of creditors; and to permit no Petition in Bankruptcy, Arrangement or Reorganization proceedings to be filed against or Receiver to be appointed for the Mortgagor, or the property encumbered by this Development and/or Construction Loan, except that this provision shall not be construed as limiting Lender's right to appoint a Receiver.

(l) To pay all taxes and assessments against said property when due.

(m) All necessary building permits therefor have been obtained or will have been obtained from said authorities before the making of the first advance under this Agreement.

(n) The Mortgaged Property is not now damaged or injured as a result of any fire, explosion, accident, flood or other casualty.

(o) No condemnation or eminent domain proceeding has been commenced or to the knowledge of Mortgagor threatened against the Mortgaged Property.

(p) Mortgagor has no knowledge of any violations or notices of violations of Federal Law or Municipal Ordinances or Orders or Requirements of the State in which the Premises are located or any Municipal Department or other Governmental Authority having jurisdiction affecting the Mortgaged Property.

(q) If Mortgagor purports to be a corporation, (i) it is a corporation duly organized, existing and in good standing under the laws of the state in which it is incorporated, (ii) it is duly qualified, if a foreign corporation, and in good standing in