

CONDITIONAL COMMITMENT
 (Section 221 Coinsurance Program)
 To be reproduced by the lender on its letterhead

Date Issued _____
 Date Expires _____
 Name of Project: _____
 Project Number: _____
 Location: _____
 Section of the Act: _____
 Owner: _____

Estimated Value of Property _____ Mortgage Term _____ Months
 \$ _____

Maximum Mortgage Amount _____ Interest Rate _____ %

The mortgage amount, term and interest rate set forth in the heading are the maximum approved for this property under the Department of HUD 221(d) coinsurance program, assuming a satisfactory purchaser-mortgagor applies for a firm commitment.

The project will have the following characteristics:

Total Units _____, Type of Building _____, with unit composition of:

Type of Unit	Sq. Ft.	Number	Monthly Market Rental
Efficiency	_____	_____	_____
One Bedroom	_____	_____	_____
Two Bedroom	_____	_____	_____
Three Bedroom	_____	_____	_____
Four Bedroom	_____	_____	_____
TOTAL	_____	_____	_____

Equipment and Services included in rent are:

Number of Parking Spaces: Enclosed _____ Open _____
 Estimated Monthly Parking Rental \$ _____
 Residential Accessory Income \$ _____
 Commercial Area _____ Sq. Ft.
 Estimated Monthly Commercial Rental \$ _____

The estimated project replacement cost of this proposal is \$ _____ which includes \$ _____ as our estimate of value of the land with off-site improvements installed. (Note: Excess costs resulting from unusual on-site conditions which will be provided for in the construction cost estimate will be deducted from this value and will also affect the .. as-is" land value for cost certification purposes, or the "as-is" value of the property in rehabilitation projects.) Included in the replacement cost estimates are the following items:

Cost of structures and land improvements, carrying charges and financing, legal and organizational expense, consultant's fee (if applicable), design and supervisory architect's fee, bond premium, other fees, supplemental management fund (if applicable), contingency reserve (if rehabilitation), builder's and sponsor's profit and risk allowance (if applicable) or builder's profit.

The maximum insurable mortgage supportable by the economics of the proposal is \$ _____. This represents a mortgage loan to replacement cost ratio of ____%. The cash you will be expected to furnish at closing is estimated to be \$ _____ (which includes equity investment, working capital, and operating deficit, if applicable). Please contact _____ who will advise you on the correct preparation of Form FHA-92328, Contractor's and/or Mortgagor's Cost Breakdown.

You are advised that restrictive covenants purporting to prohibit the use of this property to house anyone receiving the benefits of any subsidy and/or rent guarantee program, or any other restrictions that may be construed by the Department of HUD to be contrary to the intent and spirit of the Federal housing statutes, will render this proposal unacceptable for mortgage insurance purposes.

You are further advised that, at the time of firm processing, it may be required that an escrow be established to cover our estimate of an operating deficit for the project. The mortgagor will be required to show evidence of financial capacity to fund this escrow as required.

The above basic elements of the proposal upon which our estimates are computed cannot be altered without affecting the conclusions contained herein. The completed project must meet applicable code requirements and the HUD Minimum Property Standards.

Final development of the proposal must be coordinated with the Design Representative assigned to this project. He/she will be available to assist the sponsor and the architect with the development of the final design and off-site requirements.

Your application for firm commitment with the required fee must be submitted within 60 days following the date of this letter, otherwise this Conditional Commitment will expire. The application must conform in content to previous

submissions in connection with the proposal and must be accompanied by the commitment fee of \$ _____ per \$1,000 of mortgage amount. The term of this commitment may be extended for an additional 60 days if more time is required and good cause can be shown. However, if you request an extension beyond 120 days, reprocessing will be necessary.

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Firm Commitment (Insurance of Advances)
221(d) Coinsurance Program
To be reproduced by the Lender on its own letterhead

Project Number: _____

City, County, State: _____

Name of Mortgagor: _____

DEAR (Name of Mortgagor)

We, as Lender, have agreed to make a loan to you, as Mortgagor, in an amount not exceeding the sum of _____ Dollars (\$ _____) to be secured by a credit instrument and security instrument (hereinafter jointly called the "Mortgage") on the property located at _____ in the County of _____ and in the State of _____, and consisting of approximately _____ square feet.

It is our intention to coinsure with the Department of Housing and Urban Development/Federal Housing Administration (HUD), the said Mortgage under the provisions of Section 221 (insert (d) (3) or (d) (4)), pursuant to Section 244 of the National Housing Act, and the HUD regulations in 24 CFR Part 251 now in effect.

1. The mortgage note shall be payable in monthly installments in accordance with the payment provision checked and completed below:

(a) Level Annuity Monthly Payment Plan (Single Interest Rate)

The loan shall bear interest at the rate of _____ percent (_____ %) per annum payable on the first day of each month on the outstanding balance of principal until maturity and final payment.

(b) Level Annuity Monthly Payment Plan (Split Interest Rate)

The loan shall bear interest at the rate of _____ percent (%) per annum payable on the first day of each month on the outstanding balance of principal up to the date the Mortgagor certifies its costs but not to exceed sixty (60) calendar days following the date established in the Construction Contract for the completion of construction. Thereafter the loan shall bear interest at the rate of _____ percent (%) per annum until the date of final endorsement or the date established for the first payment of interest and principal, whichever occurs first. Finally, the loan shall bear interest at the rate of _____ percent (%) per annum on the outstanding balance until the maturity and final payment date.

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(c) Other

2. The first payment to principal (commencement of amortization) shall be due not later than 4 months after the date of construction completion specified in the Construction Contract. The loan shall be payable on a level annuity basis by _____ monthly payments of principal and interest in the amount of \$ _____. The maturity and final payment date shall be _____ years and _____ months following the due date of the first payment to principal.

3. A project shall be (constructed) (substantially rehabilitated) on the mortgaged property in accordance with Drawings and Specifications filed with us and designated

as _____
HUD Project No. _____ dated _____. The Drawings and Specifications, which include "General Conditions of the Contract for Construction" (AIA Document A201) and "Supplementary Conditions of the Contract for Construction" (Form HUD-2554), shall be identified in a manner acceptable to us by the following parties or their authorized agents:

Mortgagor, Design Architect, Architect administering the Construction Contract, Contractor and the Contractor's Surety.

4. Prior to endorsement of the Mortgage for insurance, the Mortgagor shall present the following executed documents in a form satisfactory to the Lender.

(a) The Mortgage and the Note evidencing the debt secured.

(b) The Building Loan Agreement (Form HUD-92441) governing advances of the mortgage proceeds.

(c) The Construction Contract (Form HUD-92442) between the Mortgagor and the General Contractor whereby the project is to be built.

(d) Contractor's Certification of Labor Standards and Prevailing Wage Requirements.

(e) Agreement and Certification (Form FHA-3306 or FHA-3306A executed by the Lender and Mortgagor).

(f) Owner-Architect Agreement.

(g) Title evidence in conformity with the Regulations which shall show that title to the property on the date of initial endorsement of the Mortgage for insurance is vested in the Mortgagor free of all encumbrances other than the Mortgage, and free of all reservations of title (either junior or prior to said Mortgage), except such as are specifically determined to be acceptable. If such title evidence is in the form of a title insurance policy, it shall by its terms inure to the benefit of the Lender and HUD,

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as their interest may appear. Such title evidence must be accompanied by an survey of the property, together with the Surveyor's Certification showing that there are no easements or encroachments upon the subject property except those acceptable to the Lender, which survey will be extended from time to time during construction to show that the improvements on the site have been erected solely upon the land covered by the mortgage and within the building restriction lines, if any, on said land and do not encroach upon or overhang any land not covered by the Mortgage nor upon any easement or right-of-way. Evidence will be required to show that the premises are not zoned or restricted so as to prevent the construction of the improvements, and that building and other permits have been issued by legally constituted authorities having jurisdiction.

(h) Assurance of the completion of the project.

(i) Assurance that adequate sewer, water, gas, and electrical facilities will be fully installed prior to completion of the project and that necessary public streets, sidewalks, and curbing outside the project site, if not yet constructed, will be fully completed within a reasonable time after completion of the project.

(j) Satisfactory proof that there exist no unpaid obligations contracted in connection with the Mortgage transaction, the purchase of the unmortgaged property or the construction or rehabilitation, except such obligations as may be approved by the Lender.

(k) The Mortgagor's Certificate certifying to the priority of the Mortgage and to other matters set forth therein.

(l) The instrument under which the mortgagor entity is created, unless the Mortgagor is an individual, together with copies of all instruments or agreements necessary under the laws of the applicable jurisdiction to authorize execution of the Mortgage and the other closing documents and the operation of the project in accordance with all HUD requirements.

(m) A Regulatory Agreement which will permit Lender regulation of the Mortgagor as to methods of operation. Such instrument shall provide, among other things, for the establishment of a Reserve Fund for Replacements by payment of \$ _____ per annum, to be accumulated monthly under control of the Lender, commencing on the date of the first payment to principal as established in the insured Mortgage.

5. The Mortgagor must deposit the sum of \$ _____ for completion of the project. This sum represents the difference between the Lender's estimate of the total cash required for carrying charges, financing, and for construction of the project, including builder's fees (or builders and sponsors profit and risk allowance, if any), architects fees, and the maximum amount of the Mortgage to be insured. These funds may be reduced by so much of the profit and risk allowance and fees, up to a maximum of \$ _____ as the closing documents show are not to be paid in cash.

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6. (a) Approval of advances in accordance with the Building Loan Agreement must be obtained on a form prescribed by HUD prior to the date of each advance to be insured. A Contractor's Prevailing Wage Certificate will be filed with the request for approval of each advance which includes a payment for construction costs.

(b) During the course of construction, the Lender and HUD shall at all times have access to the property and the right to inspect the progress of construction, and an inspection fee in the amount of \$ _____ shall be paid upon the initial insurance endorsement of the Mortgage Note. The inspection of construction by the Lender or a representative of HUD shall be only for the Lender's benefit and protection and that of HUD.

(c) Upon completion of the project in accordance with the Drawings and Specifications, the mortgage note will be finally endorsed for insurance to the extent of the advances of mortgage proceeds approved by us, subject to reduction as provided in the Regulations.

7. Any change in the Drawings and Specifications or in the conditions upon which commitment is based, which may occur after the date hereof, shall be explained in writing, or in a supplementary application if required by the Lender, and must be approved by the Lender prior to initial endorsement. Any such change occurring subsequent to initial endorsement must be brought to the Lender's attention immediately upon occurrence, and except for such changes in the Drawings and Specifications which may be authorized by the Architect, must be approved by the Lender prior to the date on which the Lender is requested to approve any further advance for insurance. All changes in the Drawings and Specifications may be effected only with the Lender's prior written approval. The Lender's approval of any change described above may be subject to such conditions and qualifications as it may prescribe.

8. If under the laws of the jurisdiction in which the project is located, the personal property of the Mortgagor, which is used in the operation of the project, is not covered by and subject to the real estate mortgage, the Lender shall require and receive from the Mortgagor prior to the final insurance endorsement of the Mortgage Note, a Security Agreement and a Financing Statement or such other security instrument as may be necessary to effect a first lien on such personal property in favor of the Lender.

9. Any change in the sponsorship upon which the commitment is predicated must be requested in writing to the Lender, and such request must be approved in writing. Any sponsor or principal (including the principals of any parent entity of such sponsor or principal), who is now or who may later become involved in this project by way of financial interest, employment or otherwise, and who has not filed a certificate with HUD fully disclosing his previous Lender participation in HUD mortgage insurance programs, shall file such certificate on the form prescribed by HUD.

10. All certificates, documents and agreements called for by this commitment shall be on forms approved or prescribed by HUD and shall be completed, executed and filed in the number of copies and in such manner as the Lender shall prescribe.

11. Upon endorsement of the Mortgage for insurance, the Mortgagor shall pay in advance a mortgage insurance premium equal to one percentum of the principal amount of the insured Mortgage to cover the first mortgage insurance premium and shall continue to make payments thereafter as required by the aforesaid Regulations.

12. Prior to endorsement of the Mortgage for insurance, the Mortgagor and the Lender certify under oath that in selecting tenants for the property covered by the Mortgage, the Mortgagor will not discriminate against any family by reason of the fact that there are children in the family (unless the project is designed specifically for occupancy by the elderly and handicapped), and that the Mortgagor will not sell the property while mortgage insurance is in effect unless the purchaser also so certifies and files such certification with HUD. The Mortgagor must also comply with the provisions of Title VIII of the Civil Rights Act of 1968, Executive order 11063, Executive order 11246, and all regulations issued pursuant to these laws.

13. Prior to endorsement of the Mortgage for insurance, the Mortgagor must certify under oath that so long as HUD has any interest in the Mortgage transaction no part of any building will be rented for a period of less than 30 days or operated in such a manner as to offer any hotel services to any tenant in the building or buildings; and that the property will not be sold so long as HUD retains any interest therein, unless the purchaser files with HUD a like certification executed by such purchaser under oath.

14. If an operating deficit is required, upon endorsement of the Mortgage for insurance, the Mortgagor(s) shall execute Form FHA-2476a, Escrow Agreement - Additional Contribution by Sponsors, showing a deposit of \$ _____ in the form of cash, an unconditional irrevocable letter of credit issued to the depository by a banking institution, or United States bearer bonds.

15. The Mortgagor shall not be required to pay to the Lender an initial service charge in excess of two percent (2%) of the original amount of the Mortgage.

16. This commitment shall expire on _____ 19 _____ unless duly extended in writing by the Lender and upon such expiration all rights and obligations of the respective parties shall cease.

17. Prior to the execution of any Construction Contract relative to the subject Project, the Agreement and Certification shall be executed by the Mortgagor and the Lender and the Mortgagor shall be bound thereby with respect to any subsequent subject to appropriate reduction in accordance with the terms of the Agreement and Certification.

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18. The Design Architect and the Architect administering the construction contract shall each be covered by a policy of professional liability insurance in an amount consistent with insurance industry practice. At initial closing, there shall be provided for each Architect the writing agent's certificate in substantially the following form:

To: Mortgagor and Secretary of Housing and Urban Development

I certify that _____ (Name of Architect) _____ is insured in the amount of \$ _____ under _____ (Name of Insurer) _____ Policy No. _____ of Architect and/or Engineers Professional Liability Insurance.

19. Special conditions set forth below or attached hereto and identified as additional numbered paragraphs are made a part hereof.

20. A request for the reopening of this commitment within 90 days of its termination by the Lender must be accompanied by a reopening fee in the amount of \$ _____.

This commitment and exhibits referred to herein together with the applicable HUD Regulations constitute the entire agreement between the Lender, and acceptance of the terms hereof is evidenced by the signature and seal of the Mortgagor and Lender upon the lines provided therefor below.

The above commitment to insure is hereby acknowledged by the

undersigned, and we hereby agree to be bound by the terms thereof.

Attest

Mortgagor

By

Lender

Attest

By

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Firm Commitment Format (Insurance upon Completion)
221(d) Coinsurance Program
To be reproduced by the Lender on its own letterhead

Project Number: _____
City, County, State: _____
Mortgagor: _____

DEAR (Name of Mortgagor)

We, as Lender, have agreed to make a loan to you, as Mortgagor, in an amount not exceeding the sum of _____ Dollars (\$ _____) to be secured by a credit instrument and security instrument (hereinafter jointly called the "Mortgage") on the property located at _____ in the County of _____ and in the State of _____ and consisting of approximately _____ square feet.

That upon the completion of the Project, it is our intention to coinsure with the Department of Housing and Urban Development/Federal Housing Administration (HUD), the said Mortgage under the provisions of Section 221 (insert (d) (3) or (d) (4)), pursuant to Section 244 of the National Housing Act, and the HUD regulations in 24 CFR Part 251 now in effect.

1. The mortgage note shall be payable in monthly installments in accordance with the payment provision checked and completed below:

(a) _____ Level Annuity Monthly Payment Plan (Single Interest Rate)

The loan shall bear interest at the rate of _____ percent (_____ %) per annum payable on the first day of each month

on the outstanding balance of principal until maturity and final payment.

(b) Level Annuity Monthly Payment Plan (Split Interest Rate)

The loan shall bear interest at the rate of _____ percent (%) per annum payable on the first day of each month on the outstanding balance of principal up to the date the Mortgagor certifies its costs but not to exceed sixty (60) calendar days following the date established in the Construction Contract for the completion of construction. Thereafter the loan shall bear interest at the rate of _____ percent (%) per annum until the date of final endorsement or the date established for the first payment of interest and principal, whichever occurs first. Finally, the loan shall bear interest at the rate of _____ percent (%) per annum on the outstanding balance until the maturity and final payment date.

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(c) Other

2. The first payment to principal (commencement of amortization) shall be due not later than 4 months after the date of construction completion specified in the Construction Contract. The loan shall be payable on a level annuity basis by _____ monthly payments of principal and interest in the amount of \$ _____. The maturity and final payment date shall be _____ years and _____ months following the due date of the first payment to principal.

3. A project shall have been (constructed) (substantially rehabilitated) on the mortgaged property in accordance with Drawings and Specifications filed with us and designated as _____, HUD Project No. _____ dated _____. The Drawings and Specifications, which include "General Conditions of the Contract for Construction" (AIA Document A201) and "Supplementary Conditions of the Contract for Construction" (Form HUD-2554), shall be identified in a manner acceptable to us by the following parties or their authorized agents: Mortgagor, Design Architect, Architect administering the Construction Contract, Contractor and the Contractor's Surety.

4. Prior to endorsement of the Mortgage for insurance, the Mortgagor shall present the following executed documents in a form satisfactory to the Lender.

(a) The mortgage and the Note evidencing the debt secured.

(b) The Construction Contract (Form HUD-92442) between the Mortgagor and the General Contractor.

(c) Contractor's Certification of Labor Standards and Prevailing

Wage Requirements.

(d) Agreement and Certification (Form FHA-3306 or FHA-3306A executed by the Lender and Mortgagor).

(e) Title evidence in conformity with the Regulations which shall show that title to the property on the date of endorsement of the Mortgage for insurance is vested in the Mortgagor free of all encumbrances other than the Mortgage, and free of all reservations of title (either junior or prior to said Mortgage), except such as are specifically determined to be acceptable. If such title evidence is in the form of a title insurance policy, it shall by its terms inure to the benefit of the Lender and HUD, as their interest may appear. Such title evidence must be accompanied by an as-built survey of the property, together with the Surveyor's Certification showing that there are no easements or encroachments upon the subject property except those acceptable to the Lender, and that the improvements on the site have been erected upon the land covered by the Mortgage and within the building

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restriction lines, if any, on said land and do not encroach upon or overhang any land not covered by the Mortgage nor upon any easement or right-of-way and showing the exact location of water, sewer, gas and electric mains and all easements for such utilities then existing. Evidence will be required to show that the premises are not zoned or restricted so as to prevent the completion of the improvements, and that building and other permits have been issued by legally constituted authorities having jurisdiction.

(f) Assurance that adequate sewer, water, gas, and electrical facilities have been fully installed and that necessary public streets, sidewalks, and curbing outside the project site have been fully completed. Satisfactory evidence that the buildings, including electric wiring, plumbing, gas, and other appliances therein have been inspected and approved by all departments, boards, or agencies of the municipality, county or State, or other governmental bureaus or departments having jurisdiction thereof, and by the rating or inspection organization, bureau, association or body performing similar functions and that such certification as may be required with respect to the approval of the said buildings for occupancy and otherwise as may be required by the Lender have been issued to the Mortgagor.

(g) Satisfactory proof that there exist no unpaid obligations contracted in connection with the Mortgage transaction, the purchase of the mortgaged property or the construction or rehabilitation, except such obligations as may be approved by the Lender.

(h) The instrument under which the mortgagor entity is created, unless the Mortgagor is an individual, together with copies of all instruments or agreements necessary under the laws of the applicable jurisdiction to authorize execution of the Mortgage and the other closing documents and the operation of the project in accordance with all HUD

requirements.

(i) A Regulatory Agreement which will permit Lender regulation of the Mortgagor as to methods of operation. Such instrument shall provide, among other things, for the establishment of a Reserve Fund for Replacements by payment of \$ _____ per annum, to be accumulated monthly under control of the Lender, commencing on the date of the first payment to principal as established in the insured mortgage.

5. Upon completion of the Project the Mortgagor shall furnish satisfactory evidence that the work of the General Contractor is covered by a guarantee acceptable to the Lender, running for a period of at least one year, following endorsement of the Mortgage, against latent defects and faulty workmanship and defective materials in the construction of the building, which guarantee will be secured by (a) a valid surety bond (Form FHA Number 3259) in an amount not less than ten percent (10%) of the cost of construction, running for a period of not less than two years following endorsement of the Mortgage, with the Mortgagor and Lender named as Obligees on the bond with the Lender interest assignable to the Commissioner; or (b) a sum equal to two and one-half percent (2-1/2%) of the face amount of the Mortgage to be held in escrow and subject to the control of the Lender for a period of 18 months

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following endorsement of the Mortgage, which sum, upon failure of such corrections being made as are required by the Lender or the Commissioner within said one year period, may be used by the Lender or its assigns, for making such required corrections or, with the consent of the Commissioner, may be applied to the last maturing installments of principal of the indebtedness evidenced and secured by the Mortgage.

6. During the course of construction, the Lender and HUD shall at all times have access to the property and the right to inspect the progress of construction, and an inspection fee in the amount of \$ _____ shall be paid prior to commencement of construction. The inspection of construction by the Lender or a representative of HUD shall be only for the Lender's benefit and protection and that of HUD.

7. Any change in the Drawings and Specifications or in the conditions upon which commitment is based, which may occur after the date hereof, shall be explained in writing, or in a supplementary application if required by the Lender, and must be approved by the Lender prior to endorsement. All changes in the Drawings and Specifications may be effected only with the Lender's prior written approval. The Lender's approval of any change described above may be subject to such conditions and qualifications as it may prescribe.

8. If under the laws of the jurisdiction in which the project is located, the personal property of the Mortgagor, which is used in the operation of the project, is not covered by and subject to the real estate mortgage, the Lender shall require and receive from the Mortgagor prior to

the endorsement of the Mortgage Note, a Security Agreement and a Financing Statement or such other security instrument as may be necessary to effect a first lien on such personal property in favor of the Lender.

9. Any change in the sponsorship upon which the commitment is predicated must be requested in writing to the Lender, and such request must be approved in writing. Any sponsor or principal (including the principals of any parent entity of such sponsor or principal), who is now or who may later become involved in this project by way of financial interest, employment or otherwise, and who has not filed a certificate with HUD fully disclosing his previous Lender participation in HUD mortgage insurance programs, shall file such certificate on the form prescribed by HUD.

10. All certificates, documents and agreements called for by this commitment shall be on forms approved or prescribed by HUD and shall be completed, executed and filed in the number of copies and in such manner as the Lender shall prescribe.

11. Upon endorsement of the Mortgage for insurance, the Mortgagor shall pay in advance a mortgage insurance premium equal to one-half percentum of the principal amount of the insured Mortgage to cover the first mortgage insurance premium and shall continue to make payments thereafter as required by the aforesaid Regulations.

12. Prior to endorsement of the Mortgage for insurance, the Mortgagor and the Lender shall certify under oath that in selecting tenants for the property covered by the Mortgage, the Mortgagor will not discriminate against any family by reason of the fact that there are children in the family (unless the project is designed specifically for occupancy by the elderly and handicapped), and that the Mortgagor will not sell the property while mortgage insurance is in effect unless the purchaser also so certifies and files such certification with HUD. The Mortgagor must also comply with the provisions of Title VIII of the Civil Rights Act of 1968, Executive Order 11063, Executive Order 11246, and all regulations issued pursuant to these laws.

13. Upon endorsement of the Mortgage for insurance, it must be current with respect to all payments required to be made by its terms, including all deposits required to be made with the Lender for mortgage insurance premiums, fire, and other property insurance premiums, ground rents, water rates, taxes and other assessments; and there shall be in full force and effect fire and other property insurance as required by the insured Mortgage.

14. Construction shall commence upon the Project within 60 days from the date of this commitment and must be continued thereafter diligently to completion. If construction is not started within such time this commitment shall terminate unless the time for commencement of construction is extended in writing by the Lender.

15. Prior to endorsement of the Mortgage for insurance, the Mortgagor must certify under oath that so long as HUD has any interest in the Mortgage transaction no part of any building will be rented for a period of less than 30 days or operated in such a manner as to offer any hotel services to any tenant in the building or buildings; and that the property will not be sold so long as HUD retains any interest therein, unless the purchaser files with HUD a like certification executed by such purchaser under oath.

16. If an operating deficit is required, upon endorsement of the Mortgage for insurance, the Mortgagor(s) shall execute Form FHA-2476a, Escrow Agreement Additional Contribution by Sponsors, showing a deposit of \$ _____ in the form of cash, an unconditional irrevocable letter of credit issued to the depository by a banking institution, or United States bearer bonds.

17. The Mortgagor shall not be required to pay to the Lender an initial service charge in excess of two percent (2%) of the original amount of the mortgage.

18. This commitment shall expire on _____, 19____, unless duly extended in writing by the Lender and upon such expiration all rights and obligations of the respective parties shall cease.

19. Prior to the execution of any Construction Contract relative to the subject Project, the Agreement and Certification shall be executed by the Mortgagor and the Lender and the Mortgagor shall be bound thereby with respect to any subsequent subject to appropriate reduction in accordance with the terms of the Agreement and Certification.