

**ADDITIONAL REQUIRED ITEMS OR CONDITIONS - (continued)**

**FIRE AND  
EXTENDED  
COVERAGE  
INSURANCE**

At the time of settlement we will require an original insurance policy containing fire and extended coverage insurance in an amount at least equal to that of the mortgage through a company acceptable to Lender, and a receipt showing premiums paid in advance for one year. The insurance policy shall also contain a standard mortgage clause in favor of Lender.

**FmHA, FHA  
OR VA  
INSURED LOANS**

Loan Commitments issued for these types of mortgage loans are subject to all the terms and conditions of the FmHA or FHA commitment; or the VA certificate of reasonable value, as well as the rules and regulations of the Farmers Home Administration or the Department of Veterans Affairs.

**FLOOD  
INSURANCE**

If "Flood Insurance" is required for additional conditions, this property has been determined to be in an area which has a special flood hazard. Federal law requires that flood insurance, available through any agent, be written in either the maximum amount available or the loan balance, whichever is the lesser. This insurance will be mandatory until this loan is paid in full. By signing and accepting this commitment you acknowledge that the property securing this loan is in an area identified as having a special flood hazard and agree to these insurance requirements.

**TAX AND  
INSURANCE  
PAYMENTS**

Monthly deposits, and initial deposits as determined by Lender, are required to cover the payment of estimated annual real estate taxes, special assessments and, if applicable, FHA or Private Mortgage Insurance Premiums. Lender may also require additional deposits for hazard or other insurance if Required for this loan. Such deposits are to be placed in a separate escrow or impound account.

**SPECIAL  
ASSESSMENTS**

All unpaid and future special assessment installments must be paid in full prior to, or at time of settlement.

**DOCUMENTATION**

The mortgage or deed of trust, note and other pertinent loan documents will be provided by Lender and must be signed by all applicants that are to be contractually liable under this obligation. Further, the mortgage or deed of trust, must also be signed by any non-applicant spouses if their signature is required under state law to create a valid lien, pass clear title, or waive inchoate rights to property. Note: Samples of loan documents are available upon request.

**CANCELLATION**

The Lender reserves the right to terminate this commitment prior to the settlement of the loan in the event of an adverse change in your personal or financial status, or the improvements on the property are damaged by fire or other casualty.

**NON-REFUNDABLE  
STANDBY FEE**

This commitment will become effective upon compliance with the terms herein and the receipt of your check in the amount of the nonrefundable standby fee. It is understood and agreed that if this mortgage loan is not settled in accordance with the terms and conditions of this commitment, the Lender shall retain this fee as earned charges for the origination and approval of this loan.

**ADDITIONAL CONDITIONS FOR CONSTRUCTION LOANS**

**CONSTRUCTION  
LOANS:  
ONE PAYOUT  
AND MULTIPLE  
PAYOUT**

Improvements are to be built in a good and workman-like manner in strict accordance with plans and specifications furnished Lender and in compliance with applicable building codes. After completion, said improvements shall be approved by a representative of Lender and an occupancy permit issued by local municipality. Any changes, whether they be additions, deletions, or alterations, of the plans and specifications, must be approved in writing by Lender in order that this loan commitment remain in effect.

**CONSTRUCTION  
LOANS:  
MULTIPLE  
PAYOUT**

Evidence must be submitted that the net proceeds of our loan are sufficient to complete the construction of the building, free and clear of all claims of Mechanic's Liens for labor and material. All disbursements will be made upon the order of the borrower upon presentment of proper waivers of lien, subject to compliance inspections by the Department of Veterans Affairs, the Federal Housing Administration, or Lender, not to exceed 80% of the value of the work done, and subject to the Lender having in its possession at all times an amount of undisbursed loan proceeds at least equal to the amount required to complete the improvements.