

It is understood and agreed that Buyer shall purchase its interest in said Loan by making payment to Seller of the full amount of each disbursement to be made by Seller to Borrower until 95 % of the full amount of the mortgage shall have been disbursed. Prior to each advance of funds by Buyer, Seller shall furnish to Buyer a Participation Certificate evidencing the amount of funds advanced by Buyer, together with an endorsement to the lender's title insurance policy showing no intervening liens or other matters of record which would affect the first lien priority of the Loan. (In the event the title insurance company does not issue title insurance endorsements, then in such event a certified title search update from the title insurance company showing no intervening liens or other matters of record which would affect the first lien priority of the Loan will be acceptable.) The remaining 5 % of the Mortgage shall be fully disbursed by Seller without any further payment by Buyer.

After each purchase, the interest owned by Buyer and the interest retained by Seller shall be ratably concurrent and neither shall have priority over the other.

In the event of default and assignment of this Loan to FHA, or in the event the Loan is not fully disbursed for any reason whatsoever, any such monies or other collateral received by Seller on account of the Loan indebtedness shall be paid to Seller and Buyer in proportion to the percentage of Loan funded by each as of that date.

6. METHOD OF DISBURSEMENT

The proceeds of the Loan shall be disbursed by the Seller to the Borrower in accordance with the terms of the commitment of the FHA and in conformance with a Building Loan Agreement which has been entered into by and between the Seller and Borrower.

7. BOOKKEEPING METHOD OF SELLER

Seller shall at all times keep proper books of account and records reflecting the interest of Buyer in the Loan in a manner satisfactory to the Buyer and the examining authorities

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