

payment is requested have been completed to the extent indicated and in accordance with the Plans and Specifications or, in the case of materials, that such materials have been ordered for or delivered to the Project and, if delivered, conform to the Plans and Specifications;

- (b) invoices for all materials and equipment not included in (a) above.

Payments from the Construction Fund, at the sole discretion of the Lender, may be made:

- (a) to the Corporation by way of reimbursement for expenses already paid from its own separate funds; or
- (b) to any third parties entitled to payment.

The first advance for the Project expenses shall not be made from the Construction Fund until the Lender shall have received and approved: (a) copies of the Plans and Specifications and any contracts which may be requested; (b) all applicable governmental authorizations and permits; (c) a current title insurance policy describing the premises; (d) a current survey of the premises, certified to the Lender and the title insurer showing the boundaries of the premises, all easements and rights of way, the proposed building line, and all streets and roadways abutting the premises; (e) certification from the Corporation that the Plans and Specifications have been approved and are acceptable to them; (f) copies of all insurance policies required by the Agreement; (g) copies of all construction contracts, bonds and insurance policies; and (h) such other documents required to be furnished to the Depositary under this Indenture or the Agreement. In no event shall any advance from the Construction Fund be made if there exists a default under the Agreement or any other documents delivered in connection with this transaction. No advance from the Construction Fund shall constitute a waiver of any of the conditions applicable to any subsequent advance.

All disbursements from the Construction Fund shall be made only in the amount of the costs of the construction completed, and materials or equipment delivered or under contract. At no time shall the Corporation be entitled to any advances from the Construction Fund if, in the reasonable judgment of the Lender, it appears that after such advances, the unadvanced proceeds will be insufficient to complete the Project in accordance with the applicable Plans and Specifications and to pay for all labor, materials and equipment for the Project. In the event that the unadvanced proceeds will be insufficient to complete the

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