

203k Borrower-Contractor Acknowledgement

We the undersigned acknowledge the following:

That the contactor was chosen by the borrower of his/her own free will with no coercion at all from any third party

That it is understood that no money will be disbursed at the time of closing for 203k renovation. The only funds disbursed at the time of closing will be for acquisition.

The first and all subsequent disbursements will come within 10 days of the inspection by the HUD consultant and the consultant's subsequent request for a draw provided that all permits have been received by Omega. . The first draw will be disbursed AFTER the construction has commenced and has been reviewed by the consultant. There will be no "up front" money. Checks will be made payable to the borrower and the contractor.

NO DISBURSEMENTS WILL BE MADE UNLESS PERMITS ARE RECEIVED BY OMEGA FINANCIAL SERVICES, INC.

Once the borrower and the contractor sign the Contractor/Borrower Agreement and the project has been approved by the HUD consultant, no changes can be made.

The contingency funds are for the sole purpose of unavoidable overruns and not to be used for additional items not included in the original estimate. Further, they will not be released until the final draw has been requested and accepted. Funds not used for construction will be applied against the outstanding principle balance.

Borrower must continue to make mortgage payments when due unless they have been expressly included in the loan.

Contractor agrees that construction will be completed within 6 months from the date of closing- NO EXCEPTIONS. Any unused portion of the rehabilitation funds will be applied to the outstanding principle balance. Further any unfinished construction will be the borrower's sole responsibility. The undersigned agree to hold Omega and it assigns harmless due to any violation of same.

Borrower

Date

Borrower

Date

Contractor

Date