MEMORANDUM OF UNDERSTANDING

This memorandum of understanding serves to advise that certain provisions of the Contractor and Borrower's contract, as indicated below, are inconsistent with Lender's construction lending policies and guidelines and require clarification. They include but are not limited to, the following sections(s):

Payment Terms: Funds are to be disbursed based upon the percentage of the project completed and not the draw schedule in the contract.

Regardless of the construction contract provisions, Borrower and Contractor acknowledge the Lender's disbursement guidelines will prevail.

_____	_____
Borrower Signature Date	Contractor/Builder Signature Date
_____	_____
Borrower Signature Date	Contractor/Signer Printed Name Date
	_____
	Contractor/Builder Company Name