



Renovation Loan Acknowledgement

Borrower Name:

Loan Number:

Property Address:

Loan Program:

By signing and initialing below, I hereby certify that I have done the following:

- I have read and understand the following items which are included within the terms of the documents signed in conjunction with the above referenced Loan. ("Loan Documents")
- That this document does not alter any of the expressed terms set forth in my Loan Documents provided by the Lender (Homebridge).
- That the items below are presented to me for my benefit to assist me during the Renovation Work.

Initials and Acceptance

Project Completion Date: The Renovation Work outlined in my Loan Documents can be scheduled to begin work once the loan has closed/funded. I understand and agree that no work can begin, and no materials can be delivered to the subject property prior to the loan closing/funding. Furthermore, the Renovation Work is scheduled to be completed no later than SIX (6) MONTHS FROM THE DATE OF CLOSING/FUNDING. If my Renovation Work is delayed for any reason I understand and agree that it is my sole responsibility to submit a written request for an extension to Homebridge for approval. I also understand and agree that this written request must be submitted prior to the expiration of the original completion date and include sufficient documentation for Homebridge to approve the request. If an extension is requested, Homebridge has the sole ability to approve an extension. I understand and agree that if the Renovation Work is not completed by the 12th month, Homebridge has the right to order a final inspection report, release any funds due to the contractor for work completed, release any funds needed to satisfy any mechanic or material liens and to apply any unused funds to the unpaid principal balance of the mortgage.

Contractor Selection and Validation: I understand and agree that I am solely responsible for selecting and monitoring the activity of the contractor in which I have chosen for my Renovation Work. Homebridge makes no warranty or representation regarding the quality of the selected contractor, their insurance or licensing, or any other aspect of the contractor's qualifications or performance. Any validation or investigation done by Homebridge on the contractor is for Homebridge's sole benefit, and I understand and agree that I am not relying on Homebridge's validation or investigation in any way. In addition, I understand that I am responsible for ensuring that my contractor is properly and adequately licensed and insured per the local municipality requirements.

Cost of Work: I understand and agree that it is my sole responsibility to negotiate with my contractor the final cost of work. Homebridge makes no representation as to these final costs. If the actual cost of work exceeds the amount held in escrow it will be my sole responsibility to pay the additional amount. If a "Contingency Reserve" is included in my Renovation Escrow Account, those funds are to offset any unexpected work costs and to correct any fire, health, or safety related issues that are discovered once the Renovation Work begins.

Changes to the Project: I understand and agree that any anticipated changes that are outside the original scope of the Renovation Work must be submitted in writing to Homebridge and approved by Homebridge prior to that work being completed. In consideration of HomeBridge approving the Renovation Work I agree that I will not engage in any additional work outside of the originally submitted and approved scope of work until the scope of work that was originally submitted and approved by Homebridge has been completed, inspected, and closed out.

Inspection Reports: I understand and agree that an inspection report will be required if any of the following things occur:

- No Draw request has been submitted and approved by Homebridge for 60 days or more.
- When submitting any extension request to Homebridge for review and approval.
- When terminating any contractor.
- At final close out of the Renovation Work.

Furthermore, I understand and agree that if an inspection is required that I agree to pay for the inspection. The fee for this service can range from \$150 to \$350. I agree that I have the option to either pay the fee directly to the Inspector or to allow Homebridge to deduct the fee from my existing Renovation Escrow Account.

Home Inspection: I understand and agree that it is my sole responsibility to be an informed homebuyer. I have the right to carefully examine my potential new home with a licensed and qualified Home Inspector and I understand that Homebridge strongly recommends that I employ a licensed Home Inspector to inspect the home for any deficiency's. I also understand and agree that any Property Appraisers, HUD Consultants, and or Property Inspectors that might be utilized in conjunction with my Renovation Loan are NOT LICENSED AND QUALIFIED HOME INSPECTORS and therefore cannot be seen as a substitute for a home inspection and their work cannot be relied upon for the purpose of a home inspection.

Permits: I understand and agree that I am solely responsible for ensuring that all permits required by the local building and zoning authority are secured. Homebridge has no duty or obligation to research the permitting requirements in my local municipality for my Renovation Work or to apply for and obtain permits. I am required to send copies of all necessary permits to Homebridge. If permits are not required, I must notify Homebridge in writing and supply Homebridge with supporting documentation. Furthermore, I understand and agree that all permits pertaining to my Renovation Work must be provided to Homebridge within 60 days of closing/funding if my file is a purchase and prior to my loan closing/funding if my file is a refinance.

Draw Requests: I understand and agree that by signing each draw request, and/or by endorsing any draw checks that I am certifying that my contractor's work is acceptable. Homebridge has no duty to independently investigate my contractor's performance. I agree that any inspection that is completed is purely for Homebridge's sole benefit and I am

not relying on Homebridge's inspection or investigation in any way. I also understand and agree that each draw check will be made out to me and my contractor as a two-party check unless I authorize Homebridge to issue a one-party check made payable to my contractor.

Disputes: I understand and agree that if a dispute between myself and my contractor occurs, that I am solely responsible to immediately notify Homebridge. I also understand that it is my sole responsibility to resolve any dispute with my contractor and, if a lien or judgement is recorded against my property it is my responsibility to either payoff the lien or to have the lien removed from my property within ninety (90) days of the filing of the lien. If the dispute is not resolved within ninety (90) days Homebridge has the right to order an inspection, release funds due to the contractor for work completed and/or release any funds necessary to satisfy any mechanic or material liens. I understand and agree that Homebridge has the right to withhold any additional disbursements from the Renovation Escrow Account until either the dispute or lien is resolved.

Binding Arbitration: I understand and agree that any claims or disputes with my contractor relating to the Renovation Work will be resolved by the Construction Industry Arbitration Rules of the American Arbitration Association (AAA). The notice of demand for arbitration must be filed in writing with the disputed party and with the AAA and must be done within 60 days of the claim and/or disputed event. The reward rendered by the arbitrator(s) will be considered final and judgment may be entered upon it in accordance with the applicable law in any court having jurisdiction where the property is located.

Post-Closing Contractor Validation: I understand and agree that if Homebridge is required to validate any additional contractor after the Closing/Funding of my loan that there will be an additional charge for this process. The Fee Schedule is: \$150 for a General Contractor and \$100 for any Specialty Contractor.

Homebridge Concierge Service/Department: I understand and agree that this service operates for the sole benefit by providing Renovation Loan assistance to Homebridge. While the Concierge Service/Department acts as a resource for me, my contractor, and my consultant/inspector their function is to streamline the information and document flow. Their primary goal is to support the staff of Homebridge Financial Services and their departments.

By signing below, I understand and agree to the terms in the Acknowledgement herein.

Borrower Signature

Borrower Signature