

STAGE DRAW REQUIREMENTS AND PROCEDURES

Draws may be ordered online through our Construction Loan Borrower Servicing Portal. The portal can be accessed by going to our website, www.ownerbuilderloan.com and clicking on the Draw request tab to access the Borrower Portal Link. Instruction for using the Portal is also available on our website in the Draw Request Tab. If you choose not to make draw requests online, our Draw Request Form may be obtained on our site in the Draw Request tab and faxed to no. 888.855.5436 or emailed to draw@ownerbuilderloan.com.

The draw check will be mailed to you by the next business day. You will deposit the draw check into your personal checking, from which you will pay all suppliers and subcontractors. (We suggest a signature from your contractor or supplier on the unconditional waiver that is available in the Draw section of our web site at www.ownerbuilderloan.com, or calling 800.543.5600) You may order draws in partial or full amounts of any category on your current stage, not to exceed three categories or advances totaling 10% of the loan amount, whichever occurs first.

You may order as many draws as needed and there are no draw fees. The property will be inspected upon completion of every three line items from the budget or advances totaling 10% of the loan amount, whichever occurs first. The cost of each OBLS inspection will be paid from your construction loan. If an inspection does not confirm the completion of work, then you may not order draws until a re-inspection is made at your cost.

All draws are released pursuant to the Stages listed below.

Stage 1

Draws may be ordered from the following categories: Excavation, backfill, rough grading, footings, foundation walls, under ground plumbing, concrete floors, drive way, well or water connection and septic or sewer connection. If any of these items were not drawn, they will automatically be carried over to stage 2.

Before the release of draws from Stage 1, the following must be performed:

- 1) No inspection is required at this time, unless construction was started prior to close.
- 2) All requirements on your Conditional loan approval are satisfied.
- 3) All closing documents must be signed and returned to OBLS from the closing agent.

Stage 2

Draws may be ordered from the following categories: Steel beams, rough framing materials, rough framing labor, windows, doors, exterior siding, roofing, shingles, garage door, and fireplace. You may also order any draws that were not ordered in stage 1.

Before the release of draws from Stage 2, you need to order and/or provide to OBLS, the following items:

- 1) A bank inspection is required to verify the completion of work for all draws previously released.
- 2) New mortgage survey containing your foundation as situated on your lot. Survey must contain surveyor's embossed seal."
- 3) Inspection by your building department verifying foundation work has passed code.
- 4) Contractor's Affidavit signed by you.
Bank inspections will be required after every three line items drawn, regardless of the order they are drawn, or advances totaling 10% of the loan amount, whichever comes first.

Stage 3

Draws may be ordered from the following categories: Gutters, rough plumbing, rough heating/cooling, rough electrical. You may also order draws that were not ordered in stages 1 and 2.

Before the release of draws from Stage 3, you need to order and/or provide to OBLS the following items:

- 1) A bank inspection is required to verify the completion of work for all draws previously released.
Please note: Before draws will be made available for categories in Stage 3, OBLS must verify that all rough framing, windows, doors and roofing are 100% complete.
- 2) Please sign and return a Contractor's Affidavit Form, which was supplied by OBLS at your construction loan closing. The affidavit is verification that the work done to date has been paid in full. (please call 800.543.5600 for additional copies)
Bank inspections will be required after every three line items drawn, regardless of the order they are drawn, or advances totaling 10% of the loan amount, whichever comes first.

Stage 4

Draws may be ordered from the following categories: Insulation and drywall / sheetrock /plaster. You may also order any draws that were not ordered in Stages 1, 2, and 3.

Before the release of draws from Stage 4, you need to order and/or provide to OBLS the following items:

- 1) A bank inspection is required to verify the completion of work for all draws previously released.
- 2) Please obtain verification from your building department that rough-framing work has passed code. Please forward the verification to OBLS.
- 3) Please obtain verification from your building department that all rough plumbing work has passed code. Please forward verification to OBLS.
- 4) Please obtain verification from your building department that all rough electrical work has passed code. Please forward verification to OBLS.
- 5) Verification from your building department that all rough heating/cooling work has passed code. Please forward the verification to OBLS.
- 6) Please sign and return a Contractor's Affidavit Form, which was supplied by OBLS at your construction loan closing. The affidavit is verification that the work done to date has been paid in full. (please call 800.543.5600 for additional copies)

Bank inspections will be required after every three line items drawn, regardless of the order they are drawn, or advances totaling 10% of the loan amount, whichever comes first.

Stage 5

Draws consist of the following categories: light fixtures, finish plumbing, finish electrical, finish heating/cooling, finish trim materials and labor, cabinets, counter tops, ceramic tile, Interior paint, finish flooring/carpeting, finish grading/landscaping and appliances. You may also order any draws that were not ordered in Stages 1, 2, 3, and 4.

Before the release of draws from Stage 5, you need to order and/or provide to OBLS the following items:

- 1) A bank inspection is required to verify the completion of work for all draws previously released.
- 2) Please sign and return a Contractor's Affidavit Form, which was supplied by OBLS at your construction loan closing. The affidavit is verification that the work done to date has been paid in full. (please call 800.543.5600 for additional copies)
- 3) Please obtain verification from your building department that confirms that your final plumbing work has passed code. Please forward the verification to OBLS.
- 4) Please obtain verification from your building department that confirms that your final electrical work has passed code. Please forward the verification to OBLS.
- 5) Please obtain verification from your building department that confirms that your final heating and cooling work has passed code. Please forward the verification to OBLS.

Bank inspections will be required after every three line items drawn, regardless of the order they are drawn, or advances totaling 10% of the loan amount, whichever comes first.

Non inspectable items, permits, insurance, surveys and utilities will require receipts or invoices.

If at any time an OBLS inspection of the construction site reveals that work has not been performed where payment for work has been released, or construction dimensions are different than the blueprints, then this will create a loan status of default resulting in a cessation of all future draws. A status of default may initiate foreclosure proceedings.

If your county or city does not require a building permit or building inspections, then code inspections will be performed by an outside inspector at the borrower's cost. If code violations are present, further draws will not be released until the violations have been corrected and re-inspected at borrower's expense.