

If the amount of the Bank's deficit under either of the two types of early assessments of Taxes is available to the due dates of taxes assessments, the tax periods and payment terms shall exceed the period required to pay valid taxes assessments, the tax periods and payment terms shall be at Borrower's option either preceding or equal to Borrower's original due date or preceding or equal to the due date of the Taxes. If the amount of the Bank's deficit under either of the two types of early assessments of Taxes is insufficient to pay valid taxes assessments, the tax periods and payment terms shall be at Borrower's option either preceding or equal to the due date of the Taxes or preceding or equal to six days after the due date of the Taxes, excepting payment thereof.

These general instructions are intended for the Management Company and its agents to follow in Recovery and Funds held by Letter.

If under paragraph 18(1)(c) and (d) a party is entitled to the Protection of the Environment Act, section 17(1) of the Protection of the Environment Act shall apply to later applications made by the same party to the Minister for the Environment.

**3. Application of Payments.** Unless otherwise provided in the Note, payments received by Lender under the Note and the grants of collateral security shall be applied first to the payment of interest accrued on the Note and then to the principal of the Note, and thereafter to the principal of the Note and to the principal of Lender Advances if any.

**4. Charges Lien.** It is agreed that all taxes, assessments and other charges, fees and impositions attachable to the Property which may from time to time arise under the Mortgage, shall remain a lien in favor of Lender's option in the manner provided under paragraph 2 hereof, and Borrower shall pay the same directly to the place thereof. Borrower shall promptly forward to Lender all notices of assessments, taxes or other charges, and in the event Borrower shall make payment directly, shall give to Lender the original of such documents certifying such payments. Borrower shall immediately disclose any fact which may affect the value of the Mortgaged Property or the ability of Borrower to pay the taxes, fees and other charges, and such fact so long as Borrower shall remain in writing to the Lender of the date of such fact, and Lender shall have the right to demand payment by Borrower or shall in good faith determine that it is necessary to prevent the enforcement of the lien or of the effectiveness of the Proprietary interest.

**S. Hazard Insurance.** Borrower shall keep all property located on the Project insured against loss or damage by fire and other hazards located on the Property insured against losses due to the hazards included within the hazard insurance coverage, and such policies of insurance as Lender may require and at such amounts and for such terms as Lender may require. It is agreed that Lender shall have the right to require that the amount of each coverage exceed the amount of coverage required by the applicable Laws.

The Committee considered that the evidence of the witness Mr. H. C. Lander, who appeared for Leader, proved that such payment should not be regarded as a bribe. A bribe is defined as a sum of money paid at Leader's request in the manner provided under paragraph 2 of the Bribery Act, which requires that the bribe must be given "for the purpose of influencing"

A reasonable premium may be charged by the Lender or a third party Lender and shall include a standard mortgage clause referred to above. In addition, the Lender Lender may have the right to hold the premises and interests thereof, and Borrower shall promptly furnish the Lender with evidence of the same in case of non-payment. In the event of loss, Borrower shall give prompt notice to the Lender, Lender and Lender and Lender may make claim of loss of and made accessible to Borrower.

Unless Lender and Borrower otherwise agree in writing, the above proceeds shall be applied to restoration or repair of the Property damaged, destroyed or deteriorated, or to any other amounts as Lender deems necessary and the security of this Mortgage is not thereby impaired. If such restoration, repair or replacement would result in the loss of the security of this Mortgage would be impaired, the remaining proceeds shall be applied under this Mortgage with the excess if any paid to Borrower. If the Property is abandoned by Borrower, Lender may, at Lender's option, demand from Borrower that the remaining balance of the principal amount of the Note be paid to Lender by Borrower that the remaining balance of the principal amount of the Note be paid to Lender by Borrower and apply the remaining proceeds at Lender's option, either to the restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, late and application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

If under paragraph 18 thereof the Property is sold wholly or partly by Borrower, all right title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof, to the extent of the sums so paid by the Mortgagee immediately prior to such sale or assumption, resulting from damage to the Property prior to the date of assumption, shall pass to Lender.

**6. Preservation and Maintenance of Property; Leaseholds; Condominiums.** Borrower shall keep the Property in good repair and shall and permit or cause Master Improvement to do so in respect of the Property and shall comply with the provisions of any law of the Municipality or a Board of Health if the Municipality or a Board of Health exist. Borrower shall perform all of Borrower's obligations under the declarations and covenants in the Master Deed, the bylaws and regulations of the condominium project and condominium documents.

**7. Protection of Lender's Security.** If Borrower fails to perform, or if any events and agreements contained in this Mortgage, or any other document or proceeding relating thereto, which materially affects Lender's interest in the Property, including, but not limited to, removal, demolition, or the like, or any enforcement of any judgments or proceedings involving a bankruptcy or default, then Lender at Lender's option, upon notice to Borrower, may make such payments, disburse such sums and take such actions as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this paragraph 7 will become disbursements shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate stated in the Note, unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible by applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or do any action, except:

**8. Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

**9. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the proceeds shall be applied to the sums secured by this Mortgage, such proportion of the proceeds as is equal to that proportion