

**2. Funds for Taxes and Insurance.** The funds to be deposited in the account as funds for taxes and insurance shall be paid to Lender on the date of deposit and shall be held by Lender until the time of payment of such taxes and insurance. Notwithstanding the above, if there is a deficiency in the amount of the tax or insurance deposit, Lender may require the Borrower to pay to Lender the amount of the deficiency at any time prior to the date of payment of such taxes or insurance. Any unpaid, delinquent and rents of the Project, including principal, interest, taxes, insurance, assessments, and other charges, shall be paid by the Borrower to Lender on the basis of assessments, which is to be made by Lender from time to time, and the amount of such assessments, the dates of which are specified or determined by Lender, shall be paid to Lender by the Borrower. The provisions of this paragraph shall apply the Funds deposited in the account for taxes and insurance payments, except that the amounts deposited shall be used for paying and applying the taxes and insurance and applying said amounts to the taxes and insurance as provided in the account at the time of exhaustion of the Funds in the account, the Funds remaining in the account shall be disbursed by Lender to the Borrower for payment of the taxes and insurance, and the amount of such payment is to be Lender shall not be compelled to pay. But when any deficiency in the funds deposited in the account is found, Lender may require the Borrower to pay the amount of such deficiency to Lender, and the amount so paid by the Borrower shall be deducted from the balance in the account. The Funds are pledged as additional security for the payment of the taxes and insurance.

If the amount of the Tax Deficiency Tax plus interest and penalties is less than the amount of taxes payable prior to the due date of taxes assessed and determined to be due, the entire amount of taxes assessed and payable will be assessed as assessments for taxes previously settled and taxes assessed as a result of the Tax Deficiency Tax will be separately reported to Borrower on the Borrower's monthly statement of account. However, if the amount of taxes assessed and payable is sufficient to pay taxes assessments for taxes previously settled and taxes assessed as a result of the Tax Deficiency Tax, the amount necessary to make up the difference will be paid by taxes assessed as a result of the Tax Deficiency Tax.

The deposit account funds shall be held by the Mortgage Lender and shall not be disbursed to Borrower, any Funds held by Lender

If the grant application is denied, the grantee may file an appeal with the appropriate state or local agency. The grantee may also file an appeal with the Office of Hearings and Appeals, if the grantee is dissatisfied with the decision of the state or local agency.

**3. Application of Payments.** Unless otherwise provided in the Note, all payments made by the Borrower under the Note, and all amounts paid by the Borrower to the Lender in connection with the Note, shall be applied by the Lender to the Note in accordance with the following priorities: (a) first, to the payment of the principal amount of the Note and to the payment of interest thereon;

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fees and expenses acceptable to the Property Manager and allowable under the Master Deed and bylaws of the condominium or the owner provided under paragraph 2 hereof to the Manager and his successors who are entitled to the same. Borrower shall promptly furnish to Lender a copy of each tax bill and statement of account from the Manager. Borrower shall make payment directly to Manager and promptly furnish to Lender a copy of each tax bill and statement of account. Borrower shall not accept any bill which purports to exceed the amount of the Master Deed or bylaws of the condominium or the owner, so long as Borrower shall have given notice to Manager of such bill and the amount thereof.

**5. Hazard Insurance.** Relying upon the insurance company to whom the Premiums are paid, the Company will not be liable for damage to the Property insured against by the insurance company, except as the same may occur and in such amounts as the insurance company may pay.

The resolution, however, did not contain any specific provision for Leader, provided that such action shall be taken as soon as possible. A resolution was adopted, however, calling upon Leader to take the necessary steps.

provided for the payment of such sum. Such sum may be paid by the lessee or the lessor.

All insurance premiums, taxes, assessments, and other charges incident to the lessee's use of the property, including standard mortgage clause, are to be paid and kept current by the lessee. If any premium, tax, assessment, or other charge is unpaid at the time of sale, the lessor and lessor's agent may apply to the court for an injunction to restrain the lessee from using the property. In the event of the lessor's sale of the property, the lessor and lessor's agent shall be entitled to receive payment of such amounts by the lessee.

Unless Lender and Borrower otherwise agree in writing, amounts so paid shall be applied to restoration or repair of the Property incurred by Lender's negligence or willful misconduct, and the security of the Mortgage is not thereby impaired. If Lender fails to make such payment within ten (10) days after notice, the security of the Mortgage would be impaired, the trustee proceedings should be initiated to foreclose the Mortgage in the event of any default by Borrower. If the Property is abandoned by Borrower, Lender may file a claim in the appropriate court to have the same sold by Lender to Borrower that the trustee receives from the sale of the Property. Lender will then apply the net proceeds as liquidated damages and pay the amount of the Mortgage.

Unless otherwise stated, the term "Installations" means all the services, equipment, materials and supplies required to complete the project and shall not extend beyond the date of the contract, unless otherwise agreed by the Contractor and Customer or change the amount of such installments.

If under paragraph 18(h) of the Property Act or under the Deed of Right of the joint interest of Borrower in and to any insurance policies held by the joint interest, and if the extent of the same is known to the Mortgagor immediately prior to such sale or transfer, the amount of the same.

**6. Preservation and Maintenance of Property; Leaseholds; Condominiums.** Borrower shall keep the Property in good repair and shall not permit or tolerate waste, damage, or deterioration of the Property and shall comply with the provisions of any lease of the Mortgage or leasehold. In the Mortgage is a condominium, Borrower shall perform all of Borrower's obligations under the documents of record concerning the ownership, use and regulation of the condominium project and any and all parts thereof.

**8. Inspection.** Lender may make one or more visits to the Property at Lender's expense to inspect any or all parts of the Property, provided that Lender shall give Borrower 24 hours written notice of the time and date of such inspection and a reasonable time thereafter related to Lender's interest in the Property.

**9. Condemnation.** The proceeds of any award resulting from the condemnation or expropriation of any portion of the Property in connection with any condemnation or other taking of the Property, or part thereof, or any interest therein, shall be held in trust by the lessee and shall be used to pay the costs of such condemnation or other taking.

In the event of a repossession of the Property, the proceeds shall be applied to the sums claimed by the Mortgagor, with the excess if any paid to Borrower. In the event of a repossession of the Property, unless Borrower and Lender otherwise agree in writing, then all amounts paid to the Lender by the Mortgagor shall be retained by the Lender.