

- (f) "Project" includes the mortgaged property and all its other assets of whatsoever nature or wheresoever situate, used in or owned by the business conducted on said mortgaged property, such business being the furnishing of housing and such other activities as are incidental thereto;
- (g) "Surplus Cash" means any cash remaining after:
 - (1) the payment of:
 - (i) All sums due or currently required to be paid under the terms of any mortgage or note insured or held by the Federal Housing Commissioner;
 - (ii) All amounts required to be deposited in the Reserve Fund for Replacements;
 - (iii) All obligations of the project other than the insured mortgage unless funds for payment are set aside or deferment of payment has been approved by the Commissioner; and
 - (2) the segregation of:
 - (i) An amount equal to the aggregate of all special funds required to be maintained by the project;
 - (ii) All tenant security deposits held;
- (h) "Distribution" means any withdrawal or taking of cash or other assets of the project other than for mortgage payments or for payment of reasonable expenses incident to its operation and maintenance;
- (i) "Default" means a default declared by the Commissioner when a violation of this Agreement is not corrected to his satisfaction within the time allowed by this Agreement or such further time as may be allowed by the Commissioner after written notice;
- (j) "Section" refers to Section of the National Housing Act, as amended.

- 14. This instrument shall bind, and the benefits shall inure to, the respective Owners, their heirs, legal representatives, executors, administrators, successors in office or interest, and assigns, and to the Commissioner and his successors so long as the contract of mortgage insurance continues in effect, and during such further time as the Commissioner shall be the owner, holder, or reinsurer of the mortgage, or obligated to reinsure the mortgage. Upon any dissolution of a partnership, no title or right to possession and control, and no right to collect the rents therefrom shall pass to any person who is not bound by this Agreement in a manner satisfactory to the Commissioner.
- 15. Owners warrant that they have not, and will not, execute any other agreement with provisions contradictory of, or in opposition to, the provisions hereof, and that, in any event, the requirements of this Agreement are paramount and controlling as to the rights and obligations set forth and supersede any other requirements in conflict therewith.
- 16. The invalidity of any clause, part or provision of this Agreement shall not affect the validity of the remaining portions thereof.
- 17. The following Owners: **NONE**

do not assume personal liability for payments due under the note and mortgage, or for the payments to the reserve for replacements, or for matters not under their control, provided that said Owners shall remain liable under this Agreement only with respect to the matters hereinafter stated; namely:

- (a) for funds or property of the project coming into their hands which, by the provisions hereof, they are not entitled to retain; and
- (b) for their own acts and deeds or acts and deeds of others which they have authorized in violation of the provisions hereof.

As to Piedmont Nursing Home, Inc.

Leo H. Hill
Secretary

As to Federal Housing Commissioner

Leo H. Hill
William C. Carter

PIEDMONT NURSING HOME, INC.

By: *John W. Owen*
 President

FEDERAL HOUSING COMMISSIONER

By: *W. D. ...*
 Field Office Director

(To be executed with formalities for recording a deed to real estate)
 (over)