

2. The instructions contained herein relate to the handling by Collection Agent of monies and payments which shall be made to and received by Collection Agent from Purchaser on account of Purchaser's obligation as maker of the Wrap Note and the Wrap Mortgage securing the same, in favor of Seller. Such payments are sometimes referred to hereinafter as the "Wrap Payments".

3. The Collection Agent is hereby instructed and hereby agrees to pay and deliver out of the respective payments, as received by it from Purchaser, the following amounts in the following order, upon receipt of each respective payment:

(i) Of the amounts paid by Purchaser to the Collection Agent each month, the Collection Agent shall pay to the Prior Noteholder, on or before its due date, the installment of principal and interest next becoming due and payable on the Prior Note.

(ii) The Collection Agent shall promptly pay over to Seller each month or to his assigns as holder of said Wrap Note all amounts paid by Purchaser to the Collection Agent each month in excess of the amount required to pay the monthly installment of principal and interest next becoming due and payable on the Prior Note and any tax or insurance or other escrows due thereunder. The Collection Agent shall not at any time retain, but shall pay over to Seller, or his assigns as holder of the Wrap Note, any sum of money paid to it by Purchaser which shall be in excess of the total amount which must be paid to the Prior Noteholder on the first day of the calendar month next following, that being the amount of one (1) monthly installment of principal and interest and any tax, insurance, or other escrows due under the Prior Note.

(iii) Prepayment(s) by Purchaser, if any, shall be applied as the instrument(s) provides among principal and interest of the Wrap Note and Wrap Mortgage. Such prepayments shall be paid to Seller by Collection Agent in full, except in the event Purchaser prepays the Wrap Note in entirety, then the total balance of the Prior Note shall be paid by Collection Agent for the account of Seller to the Prior noteholders on account of Seller's obligation under the Prior Note, if it has not been paid. Anything to the contrary herein notwithstanding, it is hereby expressly understood and agreed between all parties that Seller shall have the right and option at all times to substitute his own funds for any and all funds herein directed to be paid to the Prior Noteholder out of receipts from Purchaser, and to cause Collection Agent to pay over to the Prior Noteholder such funds of Seller in lieu of the payments herein instructed to be made; in each such instance of substitution of Seller's own funds for such payments to the Prior Noteholder, Collection Agent shall then forthwith remit to Seller those funds received from Purchaser by Collection Agent.

(4) Subject to the provisions of Paragraph 6 hereof, payments to be made by the Collection Agent out of the Wrap Payments, as specified in Paragraph 2 hereof, shall continue until the receipt by the Collection Agent of notice from the holders of the Prior Note as to the payment in full of all indebtedness evidenced by such Prior Note. Thereafter, this Collection Agreement shall be of no further force and effect, and all sums due and payable under the Wrap Note shall be payable directly by Purchaser to Seller or his assigns as holder of said Note. As provided for hereunder, the Collection Agent shall deliver copies of letters transmitting such payments to the Prior Noteholder, to Seller and Purchaser.

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