

STATE OF SOUTH CAROLINA
COUNTY OF OCONEE

IN THE COURT OF COMMON PLEAS

Mortgage Asset Management, LLC,

Case No.: 2021-CP-37-00734

Plaintiff,

vs.

MOTION TO VACATE SALE

Louis Snedigar aka Louis F. Snedigar aka
Louis Fielding Snedigar, III, The United
States of America, acting by and through its
agent, the Secretary of Housing and Urban
Development, World Business Lenders, LLC,
Clay Schile, Blue Ridge Health Investors,
LLC, 1st Franklin Financial Corporation

Defendant(s).

RECEIVED

APR 28 2023

SC Court of Appeals

TO: JAMES MARTIN PAGE, ESQ., ATTORNEY FOR PLAINTIFF

YOU WILL PLEASE TAKE NOTICE, that Louis Snedigar, (“Defendant”) will move before the Honorable Steven C. Kirven, Master in Equity for Oconee County, ten (10) days after service hereof, or as soon thereafter as may be heard, for an Order of Relief from Judicial Sale based on South Carolina Rules of Civil Procedure Rule 60(b).

FACTS

Since 1980, Defendant Louis Snedigar has owned the property located at 200 Shoreline Drive, Seneca, South Carolina 29672 (“Property”). In 2010, Defendant decided to obtain a reverse mortgage on the property. He executed a “Home Equity Conversion Loan Agreement” (“Note” or “First Note”) and Mortgage (“Mortgage” or “First Mortgage”) on May 26, 2010, with MetLife Home Loans (“First Note”). A copy of the First Note is attached as **Exhibit 1** and a copy of the First Mortgage is attached as **Exhibit 2**. The Note and Mortgage were later assigned to the Plaintiff. The Defendant borrowed approximately \$350,000 through this reverse mortgage. The

reverse mortgage loan was guaranteed by the Secretary of Housing and Urban Development, and upon information and belief, Defendant also executed a second note ("Second Note") and mortgage ("Second Mortgage") which promised to repay HUD any advances they were required to make as a result of the guarantee. The First Mortgage and Second Mortgage each granted a security interest to the Mortgagees in 200 Shoreline Drive to secure repayment of the obligations under the First and Second Notes.

The First Note, as a reverse mortgage, did not require Defendant to make monthly repayments to MetLife Home Loans. Upon information and belief, HUD never had to advance any funds to the lender as a result of their guarantee, and, therefore, no payments were due to HUD under the terms of the Second Note.

P 2.10.1
The First Note required Defendant pay property taxes and insurance on the property. The First Note provided in Paragraph 2.10.1 that, "Borrower may elect to require Lender to use Loan Advances to pay property charges consisting of taxes..." Paragraph 2.10.4 states "[i]f Borrower has made the election...Lender shall make Loan Advances under the line of credit payment plan as needed to make timely payments of property charges, provided that no such Loan Advance shall exceed the amount permitted by Section 2.6.1." Paragraph 2.10.5 states, "[i]f Borrower fails to pay the property [taxes] in a timely manner, and has not elected to have Lender make the payments, Lender shall pay the property [taxes] as a Loan Advance as required under Section 2.16. If a pattern of missed payments occurs, Lender may establish procedures to pay the property [taxes] from the Borrower's funds as if Borrower elected to have Lender pay the property [taxes]."

TP 2.10.5
Paragraph 2.15.2 of the First Notes states, "[i]f Borrower fails to pay governmental or municipal [taxes] included in section 2.10...then Lender may do and pay whatever is necessary to

protect the value of the Property and Lender's rights in the Property. These expenditures will be considered loan advances as required under Section 2.16."

The First Mortgage expressly outlines Plaintiff's grounds for accelerating the debt in paragraph 9. Paragraph 9 reads:

(a) Due and Payable. Lender may require immediate payment in full of all sums secured by this Security Instrument if:

- (i) A Borrower dies and the property is not the principal residence of at least one surviving Borrower; or
- (ii) All of the Borrowers title in the property for his or her beneficial interest in a trust owing all or part of the Property is sold or otherwise transferred and no Borrower retains (a) title to the Property in fee simple, (b) a leasehold under a lease for not less than 99 years which is renewable or a lease having a remaining period of not less than 50 years beyond the date of the 100th birthday of the youngest Borrower, or (c) a life estate in the Property (or retains a beneficial interest in a trust with such an interest in the Property).

(b) Due and Payable with Secretary Approval. Lender may require immediate payment in full of all sums secured by this Security Instrument, upon approval by an authorized representative of the Secretary, if:

- (i) The Property ceases to be the principal residence of a Borrower for reason other than death and the Property is not the principal residence of at least one other Borrower, or
- (ii) For a period of longer than twelve (12) consecutive months, a Borrower fails to physically occupy the Property because of physical or mental illness and the Property is not the principal residence of at least one other borrower: or
- (iii) An obligation of the Borrower under this Security Instrument is not performed.

At some point on or around 2021, Defendant was unable to pay the property taxes covering the Property. On or around November 11, 2021, Defendant spoke with a representative at the mortgage servicer, PHH Mortgage, and requested that they pay his property tax bill and add it to his reverse mortgage loan pursuant to the terms of the First Note. The representative accepted and

agreed to the request without objection. Therefore, Defendant believed his property taxes were paid and no longer an issue.

On October 28, 2021, Plaintiff filed the present foreclosure action. The foreclosure action was filed shortly before Defendant requested Plaintiff pay his property taxes. The Complaint asserts that Defendant's default was his failure to pay taxes and/or insurance on the property. According to the Affidavit of Service filed in this case, Defendant was personally served on November 1, 2021. However, Defendant does not recall personal service, and further asserts that he does not receive mail at his primary residence. Thereby giving him no notice of this foreclosure action.

An Order of Foreclosure and Sale was entered on November 17, 2022. The Foreclosure Order provides, "[t]he Borrower(s) failed to pay real property taxes and/or insurance on the property as required by the loan documents, and the Plaintiff, as the holder thereof, has elected to accelerate payment of the entire indebtedness..." The property was sold at a foreclosure sale on February 6, 2023 to a third-party bidder.

STANDARD

"On motion and upon such terms as are just, the court may relieve a party of his legal representative from a final judgement, order, or proceeding [in the case of] mistake, inadvertence surprise, or excusable neglect... fraud, misrepresentation, or other misconduct of an adverse party; [or if] it is no longer equitable that the judgement should have prospective application." Rule 60(b)(5) SCRPC. "The determination of whether a judicial sale should be set aside is a matter left to the sound discretion of the trial court." *Investors Sav. Bank v. Phelps*, 303 S.C. 15, 17, 397 S.E.2d 780, 781, (Ct. App. 1990). "An abuse of discretion occurs when the conclusions of the

circuit court are either controlled by an error of law or are based on unsupported factual conclusions." *Carson v. CSX Trans., Inc.*, 400 S.C. 221, 229, 734, S.E.2d 148, 152 (Ct. App. 2012).

ARGUMENT

Defendant owns property located at 200 Shoreline Dr., Seneca, South Carolina, 29672. A plain reading of the First Note and First Mortgage show that Plaintiff was not entitled to foreclose for Defendant's failure to pay property taxes. The loan documents provide that his failure to pay property taxes would result in Plaintiff paying those property taxes and adding those amounts to his loan balance. The applicable mortgage documents provide only two reasons Plaintiff may accelerate the debt and declare them due and payable, both of which require Defendant no longer owning an interest in the property and neither concern unpaid property taxes. Despite the plain language of the loan documents, the Foreclosure Order provides that "Plaintiff has elected to accelerate payment of the entire indebtedness" for Defendant's failure to pay property taxes.

Defendant recognizes the First Mortgage allows for acceleration of the debt with the approval of the Secretary of Housing and Urban Development's approval when an "obligation of the borrower under the loan documents" is not performed. However, Defendant has never provided notice that HUD approved acceleration of the debt and, again, believes failure to pay property taxes were not grounds for default under the First Note. Defendant asserts that the pleadings in this case were insufficient to provide notice as to the reasons for accelerating the debt and the subsequent foreclosure.

Additionally, the loan documents allowed Defendant to elect to have Plaintiff pay the property taxes which the representative at PHH agreed to do after the institution of this action. Assuming Defendant had actual knowledge of the foreclosure action, he would have been justified

in assuming the property tax issue was moot when Plaintiff agreed to pay the property taxes and add the amount to his loan balance.

Rule 60(b) allows a judgment, order, or proceedings to be set aside for mistake, inadvertence, surprise, or excusable neglect, as well as misrepresentation, or when it is no longer equitable that the judgment should have prospective application. Defendant would respectfully assert that the Foreclosure Order should be vacated for mistake, inadvertence, surprise, and/or misrepresentation since it incorrectly relies on the assertion that Plaintiff was entitled to accelerate the debt for Defendant's failure to pay property taxes. Furthermore, the various issues raised in the foreclosure process above such as, lack of service, Defendant's detrimental reliance on Plaintiff's representative, the insufficiency of the pleadings, along with Plaintiff's wrongful foreclosure strongly suggest it would be inequitable for the Foreclosure Order and subsequent sale to stand.

CONCLUSION

Plaintiff was not entitled to foreclose on the mortgage for Defendant's failure to pay property taxes, and Defendant could have justifiably relied on assertions from Lender's agent that the property taxes would be paid. Therefore, pursuant to South Carolina Rule of Civil Procedure 60(b) there is sufficient evidence to vacate the Foreclosure Order and judicial sale.

Jason Ward Law, LLC.

/s/ Jason M. Ward

Jason M. Ward, S.C. Bar No.: 100782

311 Pettigru Street,

Greenville SC 29601

(864) 239-0007- Telephone

Jason@WardLawSC.com

Attorney for Defendant Louis Snedigar

Date: February 24, 2023
Greenville, South Carolina

EXHIBIT 1

This agreement is made on March 6, 2010 among Louis Snedigar ("Borrower") and MetLife Home Loans, a Division of MetLife Bank, N.A. ("Lender") and the Secretary of Housing and Urban Development ("Secretary").

Article 1 – Definitions

1.1. Expected Average Mortgage Interest Rate means the amount indicated on the attached payment plan (Exhibit 1). It is a constant interest rate used to calculate monthly payments to the Borrower throughout the life of the loan.

1.2. Loan Advances means all funds advanced from or charged to Borrower's account under conditions set forth in this Loan Agreement, whether or not actually paid to Borrower. To the extent Borrower prepays any outstanding balance under the Note, such amounts will no longer be available to be advanced under this Loan Agreement.

1.3. Loan Documents means the Note, Second Note, Security Instrument and Second Security Instrument.

1.4. Maximum Claim Amount means the lesser of the appraised value of the Property or 150% of the maximum dollar amount established under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a 1-family residence. This applies to all one-to-four unit properties. Both the appraised value and the maximum dollar amount shall be as of the date the conditional commitment is issued. Neither closing costs nor the initial mortgage insurance premium shall be taken into account in determining the maximum claim amount.

1.5. Note means the promissory note signed by Borrower together with this Loan Agreement and given to Lender to evidence Borrower's promise to repay, with interest, Loan Advances by Lender or Lender's assignees.

1.6. Principal or Principal Balance means the sum of all Loan Advances made as of a particular date, including interest and mortgage insurance premiums.

1.7. Principal Limit means the amount indicated on the attached payment plan (Exhibit 1) when this Loan Agreement is executed, and increases each month for the life of the loan at a rate equal to one-twelfth of the mortgage interest rate in effect at that time, plus one-twelfth of one-half percent per annum. The Principal Limit is calculated using factors provided by the Secretary, which take into account the age of the youngest Borrower, the mortgage interest rate, and the Maximum Claim Amount.

1.8. Principal Residence means the dwelling where the Borrower maintains his or her permanent place of abode, and typically spends the majority of the calendar year. A person may have only one principal residence at any one time. The Property shall be considered to be the Principal Residence of any Borrower who is temporarily or permanently in a health care institution as long as the Property is the Principal Residence of at least one other Borrower who is not in a health care institution.

1.9. Property means Borrower's property identified in the Security Instrument.

1.10. Second Note means the promissory note signed by Borrower together with this Loan Agreement and given to the Secretary to evidence Borrower's promise to repay, with interest, Loan Advances by the Secretary secured by the Second Security Instrument.

1.11. Second Security Instrument means the mortgage, deed of trust, security deed or other security instrument which is signed by Borrower together with this Loan Agreement and which secures the Second Note.

1.12. Security Instrument means the mortgage, deed of trust, security deed or other security instrument which is signed by Borrower together with this Loan Agreement and which secures the Note.

Article 2 – Loan Advances

2.1. General. Lender agrees to make Loan Advances under the conditions set forth in this Loan Agreement in consideration of the Note and Security Instrument given by Borrower on the same date as this Loan Agreement.

or 2% of the maximum claim amount up to \$200,000 plus 1% of any portion of the maximum claim amount that is greater than \$200,000 up to a maximum origination fee of \$6,000.00. Lender shall not charge the Borrower an origination fee in excess of this amount.

2.2.2. Loan Advances shall be used by Lender to discharge the liens on the Property listed in the Schedule of Liens (Exhibit 2) attached to and made a part of this Loan Agreement.

2.2.3. Lender shall pay an initial Loan Advance to Borrower in the amount indicated on the attached payment plan (Exhibit 1).

2.2.4. Initial advances required by this Section 2.2 shall be made, for purchase money loans, at settlement or as soon thereafter as permitted, or, for refinance loans, as soon as such advances are permitted by the applicable provisions of 12 CFR Part 226 (Truth in Lending) governing Borrower's right of rescission, but not before that time.

2.3. Set Asides.

2.3.1. Amounts set aside from the Principal Limit shall be considered Loan Advances to the extent actually disbursed or earned by Lender.

2.3.2. Lender shall initially set aside from the Principal Limit the amount indicated on the attached payment plan (Exhibit 1) for repairs to be made in accordance with a Repair Rider attached to and made a part of this Loan Agreement (Exhibit 3).

~~2.3.3. Lender shall initially set aside from the Principal Limit the amount indicated on the attached payment plan (Exhibit 1) to be applied to payments due for first year property charges consisting of taxes, hazard insurance, ground rents and assessments.~~

2.3.4. Lender shall initially set aside from the Principal Limit the amount indicated on the attached payment plan (Exhibit 1) to be applied to payment due for a fixed monthly charge for servicing activities of Lender or its servicer. Such servicing activities are necessary to protect Lender's interest in the Property. A servicing fee set aside, if any, is not available to the Borrower for any purpose, except to pay for loan servicing.

2.4. Charges and Fees. Borrower shall pay to Lender reasonable and customary charges and fees as permitted under 24 CFR 206.207(a). Such amounts shall be considered Loan Advances when actually disbursed by Lender.

2.5. Monthly Payments.

2.5.1. Borrower may request Loan Advances as Monthly Payments wherein Loan Advances shall be paid directly to Borrower in equal monthly payments.

2.5.2. Monthly payments shall be calculated for either the term payment plan or the tenure payment plan, as requested by Borrower.

2.5.3. Monthly payments under the term payment plan are made only during a term chosen by Borrower and shall be calculated so that the sum of (i) or (ii) added to (iii), (iv), (v) and (vi) shall be equal to or less than the Principal Limit at the end of the term:

(i) Initial Advances under Section 2.2., plus any initial servicing fee set aside under Subsection 2.3.4., or

(ii) the Principal Balance at the time of a change in payments under Sections 2.8. and 2.9. plus any remaining servicing fee set aside under Subsection 2.3.4., and

(iii) The portion of the Principal Limit set aside as a line of credit under Section 2.7., including any set asides for repairs (Subsection 2.3.2.) and first year property charges (Subsection 2.3.3.), and

(iv) All monthly payments due through the payment term, including funds withheld for payment of property charges under Section 2.10., and

any interest through the payment term. The Expected Average Mortgage Interest Rate shall be used for this purpose.

2.5.4. Monthly payments under the tenure payment plan shall be calculated as in Subsection 2.5.3, as if there were a payment term with the number of months in the term equal to the sum of 100 minus the age of the youngest Borrower multiplied by 12, but payments shall continue until the loan becomes due and payable as provided in the Loan Documents.

2.5.5. Monthly payments shall be paid to Borrower on the first business day of a month.

2.5.6. If Borrower has requested monthly payments, payments shall be indicated on the attached payment plan (Exhibit 1). The payment plan may be changed by Borrower as provided in Sections 2.8. and 2.9.

2.6. Line of Credit without Monthly Payments.

2.6.1. Borrower may request (i) a single Loan Advance under a line of credit payment plan to be paid in a lump sum disbursement upon settlement of the loan or (ii) Loan Advances under a line of credit payment plan in amounts and at times determined by Borrower, if the Principal Balance of the loan after the Loan Advance is made is less than or equal to the applicable Principal Limit, excluding any portion of the Principal Limit set aside under Sections 2.3.2. or 2.3.4. The line of credit amount increases at the same rate as the total Principal Limit increases under Section 1.7.

2.6.2. Line of credit payments shall be paid to Borrower within five business days after Lender has received a written request for payment by Borrower.

2.6.3. Lender may specify a form for line of credit payment requests.

2.6.4. Lender shall provide Borrower with a statement of the account every time a line of credit payment is made. The statement shall include the current interest rate, the previous Principal Balance, the amount of the current Loan Advance, the current Principal Balance after the Loan Advance, and the current Principal Limit.

2.7. Line of Credit with Monthly Payments.

2.7.1. Borrower may receive monthly payments under either a term or tenure payment plan combined with a line of credit, as indicated on the attached payment plan (Exhibit 1).

2.7.2. Subsections 2.6.2., 2.6.3. and 2.6.4. apply to a line of credit combined with term or tenure payments.

2.7.3. If Borrower combines a line of credit with a term or tenure payment plan, the Principal Limit is divided into: (a) an amount for the line of credit payments, including repair and property charge set asides, (b) an amount for monthly payments which shall be calculated under Subsection 2.5.3. or 2.5.4. and (c) an amount for a servicing fee set aside, if required by Lender under Subsection 2.3.4. Amounts designated for line of credit payments and monthly payments increase independently at the same rate as the total Principal Limit increases under Section 1.7. Borrower can request Loan Advances in amounts and at times determined by Borrower, if the requested amount is less than or equal to the difference between (a) the Principal Limit applicable to the line of credit set aside and (b) the portion of the outstanding Principal Balance attributable to draws on the line of credit, including accrued interest and mortgage insurance premium or monthly charge due to the Secretary, but excluding any portion of the Principal Limit set aside under Subsections 2.3.2. and 2.3.4.

2.7.4. A Borrower receiving monthly payments in combination with a line of credit may prepay the outstanding mortgage balance in accordance with the terms of the Note.

2.8. Change in Payments Generally.

shall recalculate future monthly payments in accordance with Subsections 2.5.3. or 2.5.4.

2.8.3. Lender may charge a fee not to exceed an amount determined by the Secretary, whenever payments are recalculated and in any other circumstances in which Borrower is required to sign a form acknowledging a change in payment plan as provided in Subsection 2.8.5.

2.8.4. Loan Advances under a new payment plan shall be paid to Borrower in the same manner and within the time period required under Sections 2.5., 2.6. or 2.7.

2.8.5. Changes in the payment plan must be acknowledged by Borrower by signing a form containing the same information as the attached payment plan (Exhibit 1). Lender shall provide a copy of the completed form to Borrower.

2.9. Change in Payments Due to Initial Repairs.

2.9.1. If initial repairs after closing, made in accordance with the Repair Rider, are completed without using all of the repair set aside, Lender shall inform Borrower of the completion and the amount then available to the Borrower to be drawn under a line of credit.

2.9.2. If initial repairs after closing, made in accordance with the Repair Rider, cannot be fully funded from the repair set aside, any additional Loan Advances needed to complete repairs shall be made in the manner provided under Section 2.16.

2.9.3. If initial repairs are not completed when required by the Repair Rider, Borrower shall not request and Lender shall not make any further payments, except as needed to pay for repairs required by the Repair Rider and mandatory Loan Advances under Section 4.5. In order to complete the required repairs, Loan Advances shall be made first from the repair set aside, and then in the manner provided under Section 2.16.

2.10. Payment of Property Charges.

2.10.1. Borrower may elect to require Lender to use Loan Advances to pay property charges consisting of taxes, hazard insurance premiums, ground rents and special assessments if indicated on the attached payment plan (Exhibit 1). If Borrower has elected to have Lender pay property charges, Borrower may change this election by notifying Lender and at that time Lender shall pay to Borrower any amounts withheld from the Loan Advances to pay property charges.

2.10.2. If Borrower has made the election under Subsection 2.10.1. and Borrower is receiving monthly payments, Lender shall withhold amounts from each monthly payment and use the amounts withheld to make timely payments of property charges. The amounts withheld shall be calculated as provided in Subsection 2.10.3. Amounts withheld from monthly payments shall not be treated as Loan Advances and shall not bear interest except to the extent actually disbursed by Lender.

2.10.3. Lender shall withhold from each monthly payment an amount to pay (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for fire, flood and other hazard insurance required by the Security Instrument. Each monthly withholding for items (a), (b) and (c) shall equal one-twelfth of the annual amounts, as reasonably estimated by Lender. The full annual amount for each item shall be paid by Lender before an item would become delinquent. Lender shall add the amounts for items (a), (b) and (c) to the Principal Balance when paid. If at any time the withholding for item (a), (b), or (c) exceeds the amount of actual property charges, Lender shall pay the excess withholding to Borrower and add it to the Principal Balance. If the total of the withholding for item (a), (b), or (c) is insufficient to pay the item when due, the amount necessary to make up the deficiency on or before the date the item becomes due shall be paid as a Loan Advance in the manner provided under Section 2.16.

2.10.4. If Borrower has made the election under Subsection 2.10.1. and Borrower is not receiving monthly payments, Lender shall make Loan Advances under the line of credit payment plan as needed to make timely payments of property charges, provided that no such Loan Advance shall exceed the amount permitted by Section 2.6.1.

the property charges from Borrower's funds as if Borrower elected to have Lender pay the property charges.

2.10.6. Lender shall immediately notify any Borrower who has made the election under Subsection 2.10.1. whenever Lender determines that amounts available from monthly payments or line of credit payments will be insufficient to pay property charges.

2.11. **Insurance and Condemnation Proceeds.** If insurance or condemnation proceeds are paid to Lender, the Principal Balance shall be reduced by the amount of the proceeds not applied to restoration or repair of the damaged Property and the available loan funds shall be recalculated. At the same time, the Principal Limit also shall be reduced by the amount of the proceeds applied to reduce the Principal Balance.

2.12. **Interest.**

2.12.1. Interest shall be calculated as provided in the Loan Documents.

2.12.2. Interest shall accrue daily and be added to the Principal Balance as a Loan Advance at the end of each month.

2.13. **Mortgage Insurance Premium (MIP); Monthly Charge.**

2.13.1. Monthly MIP shall be calculated as provided in 24 CFR Part 206. If the Security Instrument is held by the Secretary or if the Secretary makes Loan Advances secured by the Second Security Instrument, a monthly charge shall be due to the Secretary and shall be calculated in the same manner as MIP.

2.13.2. The full amount of monthly MIP or monthly charge, including any portion of the MIP retained by a Lender under 24 CFR 206.109, shall be considered to be a Loan Advance to Borrower on the later of the first day of the month or the day Lender pays the MIP to the Secretary, if any MIP is due to the Secretary. In the event that the Note becomes due and payable or the Note is prepaid in full after the first day of the month, Lender may add the accrued MIP to the Principal Balance or the Secretary may add the accrued monthly charge to the Principal Balance.

2.14. **Manner of Payment.** For purposes of this Section "Borrower" shall not include any person who signed this Loan Agreement but who has a Principal Residence different from the Property. Only a Borrower has a right to receive Loan Advances. Borrowers shall choose to receive Loan Advances by either electronic funds transfer to a bank account designated by all Borrowers or by check mailed to an address designated by all Borrowers, except where all Borrowers agree that payment should be made directly to a third party for the benefit of the Borrowers. Borrowers may change the manner of payment by notifying Lender.

2.15. **Protection of Property.**

2.15.1. If Borrower vacates or abandons the Property, or if Borrower is in default under the Security Instrument, then Lender may make reasonable expenditures to protect and preserve the Property and these expenditures will be considered Loan Advances as required under Section 2.16.

2.15.2. If Borrower fails to pay governmental or municipal charges, fines or impositions that are not included in Section 2.10. or if there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property. These expenditures will be considered Loan Advances as required under Section 2.16.

2.16. **Unscheduled Payments.** Loan Advances made pursuant to Sections 2.4., 2.9.2., 2.9.3., 2.10.3., 2.10.5., and 2.15. shall be made from a line of credit under Section 2.6. or 2.7. to the extent possible. If no line of credit sufficient to make the Loan Advances exists, any future monthly payments must be