

The payment in full of the amount set forth in the Mortgage Deed is due and payable to Bank and is held by Bank.

If a bid package under 18 consists of 1 or more contracts, the provisions of this section shall apply to later contracts if they are let by the same authority, provided that the authority has given notice to the bidder that such provisions will apply.

**3. Application of Payments.** Unless otherwise provided by the Note, all payments made by the Borrower on or before the due date of the Note shall be applied first to the accrued interest on the Note and then to the principal of the Note, and to the unpaid principal amount of any

**4. Charges Lien.** However, should any of the above amounts or any other amounts due and unpaid become applicable to the Project, which may otherwise be payable under the Master Agreement and any other documents entered into in the course of providing services to the Project, the Project shall have the right to deduct such amounts from the amount of any payment due to the Vendor, whether such amounts are due by virtue of the Project or otherwise. If any amounts due to the Project are deducted, the Project shall promptly furnish the Vendor with a copy of the deduction. If any amounts due to the Project are deducted, the Vendor will have the right to deduct the same from the Project's payment due to the Vendor, if and when owing to the Project, so long as the Project is writing to the Vendor of the deduction and giving the Vendor a reasonable time to deduct the amount in good faith and in accordance with the terms of the Project's payment due to the Vendor, and to furnish the Vendor with a copy of the deduction of the Project's payment due to the Vendor.

The minimum number providing the signatures shall be 1000, to be delivered to the appropriate Bureau provided that such personnel shall not be subsequently withheld. All expenses and costs of signature collection shall be paid at Bureau's expense in the manner provided under paragraph 2 hereof.

All insurance policies and renewals issued by the Insurer are subject to Leader and Gulf underwriting standards, coverage clauses, and exclusions as set forth in the Leader Leader and Gulf Policies and Renewals.

The Landlord and Borrower shall make arrangements to have the amounts due applied to payment on account of the principal amount of the Note.

Unless Lender and Borrower otherwise agree in writing, whenever there is damage to or impairment of a part of the Property damaged, provided such restoration or repair is commercially feasible and the security of the Mortgage is not thereby impaired, If such restoration or repair is not commercially feasible or if the security of the Mortgage would be impaired, the restoration procedure shall be applied to the parts damaged by the Mortgage until the excess of any fund to Borrower. If the Proce-

Leader's signature on the instrument of transfer or assignment of the Property to the same named by the Mortgagor.

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

If under paragraph 18 before the Property is transferred by Vendor all right title and interest in and to any insurance policies and in and to the proceeds thereof (to the extent of the sums secured by this Mortgage immediately prior to such sale unadjusted) resulting from damage to the Property; (not to the risk or reversion shall pass to Lender.

**6. Preservation and Maintenance of Property; Leaseholds; Condominiums.** Borrower shall keep the property in good repair and shall not permit or consent to any impairment or deterioration of the property and shall comply with the provisions of lease if this Mortgage is on a household. If this Mortgage is on a condominium unit, Borrower shall perform all of Borrower's obligations under the declaration of condominium or master deed, the by-laws and regulations of the condominium project and its constituent documents.

**7. Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage or any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, bankruptcy, code enforcement or assessments or proceedings involving a bankrupt or decedent, then Lender, at Lender's option, upon notice to Borrower, may make such representations, disburse such sums and take such action 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, with respect thereto, 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 act hereunder.

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

**9. Condemnation.** The proceeds of any award of 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 excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that propor-

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