

The proceeds and avails of any sale of the Collateral and the proceeds and the avails of any remedy hereunder shall be paid and applied as follows:

(a) First, to the payment of all taxes, assessments or liens superior to the lien of these presents, except any taxes, assessments or other superior lien subject to which said sale may have been made;

(b) Second, to the payment to the bondholders of the amount then owing or unpaid on the Bond for principal and interest and all allowable collection expenses, and in case such proceeds shall be insufficient to pay in full the whole amount so due and owing or unpaid upon the Bond with application to be made first to allowable collection expenses, second to any unpaid interest thereon, and third to unpaid principal thereof, such application to be made upon presentation of the Bond, and upon the notation thereof of the payment, if partially paid, or the surrender and cancellation thereof, if fully paid; and

(c) Third, to the payment of the amount, if any, then owing to the bondholders and unpaid under the Loan Agreement; and

(d) Fourth, to the payment of the surplus, if any, to the County or to whomsoever may be lawfully entitled to receive the same.

No delay or omission of C&S or any other registered owner of the Bond to exercise any right or power arising from any default on the part of the County, shall exhaust or impair any such right