

(b) Second, to the payment to the County of the amount then owing or unpaid on the Partnership Note for principal, interest, any penalties or fines 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 Partnership Note, with application to be made, first to allowable collection expenses, second to any penalties or fines, third to unpaid interest, and fourth to unpaid principal; such application to be made upon presentation of the Partnership Note and upon the 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 County and unpaid under the Loan Agreement and this Mortgage and Security Agreement; and

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

No delay or omission of the County to exercise any right or power arising from any default on the part of the Partnership shall exhaust or impair or constitute a waiver of any such right or power or prevent its exercise during the continuance of such default. No waiver by the County of any such default, whether such waiver be full or partial, shall extend to or be taken to affect any subsequent default, or to impair the rights resulting therefrom except as may be otherwise provided therein. The County

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