

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 Note, application to be made, first to allowable collection expenses, second to unpaid interest thereon, and third to unpaid principal thereof; such application to be made upon presentation of the Note and upon the notation thereon 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 First National and unpaid under the Loan Agreement or this Mortgage and Security Agreement; and

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

No delay or omission of First National to exercise any right or power arising from any default on the part of the Company 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 First National 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. First National may exercise any one or more or all of the remedies hereunder, and no remedy is intended to be exclusive of any other remedy but each and every remedy shall be cumulative and in