

The proceeds and/or avails of any sale of the Premises, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to and applied as follows:

(1) First, to the payment of all costs and expenses of foreclosure or suit, if any, and of such sale (including legal expenses and attorneys' fees) incurred or paid hereunder by the County and/or the Bank and 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 County of the amount then owing or unpaid on the Hospital Note for principal and interest; and in case such proceeds shall be insufficient to pay in full the whole amount so due and owing or unpaid upon the Hospital Note, with application to be made, first to unpaid interest thereon, and next to unpaid principal thereof; such application to be made upon presentation of the Hospital 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 the County and/or the Bank and unpaid under the Loan Agreement or this Mortgage; and

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

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