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connection with the enforcement of any of the terms of this Mortgage and Security Agreement), the principal of the Note, if not previously due, and the interest accrued thereon, shall at once become and be immediately due and payable; also in the case of any such sale, the purchaser or purchasers, for the purpose of making settlement for or payment of the purchase price, shall be entitled to turn in and use the Note and any claims for accrued interest and allowable costs unpaid thereon.

The proceeds and avails of any sale of the Collateral, or any part thereof, and the proceeds and the avails of any remedy hereunder shall be paid to 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 First National of the amounts then owing or unpaid on the Note for principal, 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 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