

amount of real estate commissions earned for such sales and normal closing costs, which proceeds shall be applied by Lender in the following manner and priorities as numbered:

(1) Payment of the first Mortgage release price per paragraph 7 of the Loan Agreement.

(2) Payment of additional interest per paragraph 8 of the Loan Agreement.

[Handwritten signature] (3) Payment ^{toward} ~~of~~ the principal balance outstanding on the Additional Loan.

(4) Balance, if any, shall be paid over to Borrower for deposit in a bank account controlled by an escrow agent acceptable to Borrower and Lender until such account reaches the total sum of THREE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$350,000.00). Such funds on deposit are to be earmarked as an interest reserve for the payment of interest as it accrues on the Original Loan. At such time as the sum of THREE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$350,000.00) has been deposited as aforesaid the Borrower shall be entitled to the balance of the proceeds of sale after deduction of items numbered 1 and 2.

NOTE: No partial releases of the second Mortgage shall be granted if the balance remaining for reduction of principal balance of the Additional Loan under item (3) above calculates out to be less than ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00) per acre sought to be released.

4. REAFFIRMATION OF ORIGINAL LOAN DOCUMENTS: Except as specifically modified herein, or as previously modified, all of the terms and provisions of the Note(s), security instrument(s), Loan Agreement, and all other documents executed by the parties hereto in connection with the Original Loan, are ratified and reaffirmed by the parties hereto, and are incorporated herein by reference.