

satisfactory to the Bank.

15. At any time and from time to time while any portion of the indebtedness evidenced by the Note(s) remains outstanding and so long as there exists no uncured event of default under the Note(s), Mortgage or any other instrument collateral thereto, Mortgagor shall have the right to make changes, replacements and substitutions in the Collateral, or to substitute improvements made on the real estate for all or any portion of the Collateral, provided that any such changes, replacements or substitution in the Collateral shall have a value equal to or exceeding the value of such improvements. Such changes, replacements and substitutions in the Collateral shall be effected as follows:

(a) Mortgagor may by notice direct Bank to sell and liquidate any item of the Collateral by giving to Bank a notice containing such direction, and the lien of this Mortgage shall immediately attach to any and all proceeds realized upon the sale or disposition of any such item of Collateral, without any further act or instrument by any party, and Bank shall continue to hold all such proceeds as a part of the Collateral, subject to disbursement only as hereinafter provided.

(b) Mortgagor may by notice direct Bank to apply the proceeds realized upon the sale or disposition of any item of Collateral to the purchase of any additional item or items of personal property to be substituted for such Collateral, and the lien of this Mortgage shall immediately attach to each such item of Collateral, without any further act or instrument by any party, and Bank shall continue to hold such Collateral subject to sale, liquidation and application of proceeds only as provided.

(c) Mortgagor may by notice direct Bank to apply the proceeds of any Collateral to the payment of all or any part of the cost of any building, or other improvement made upon the Real Estate subsequent to the date of this Mortgage, provided, however, that the amount of such proceeds that may be applied to the payment of such cost shall not exceed the cost or fair market value, whichever is lower, of such improvements actually completed and in place at the time of such payment. Prior to disbursement

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