

(i) All monetary obligations secured by the Institutional Mortgages shall be evidenced by the Institutional Notes. The principal amount of each Institutional Note shall be equal to the principal amount of the related Institutional Loan. No Institutional Mortgage will secure (and no rights will be exercisable thereunder by reason of breach or default under) any obligation, indebtedness, claim or right except for (a) the related Institutional Note (including any modifications, extensions or renewals thereof), and (b) the covenants made in such Institutional Mortgage; without limitation on the generality of the foregoing, no Institutional Mortgage will secure any monetary debts or obligations except those evidenced by the related Institutional Note or consisting of costs or charges relating to enforcement of such Institutional Mortgage or such Institutional Note upon default thereunder or advancements made or anticipated by the mortgagee thereof for premiums of insurance, taxes and assessments on Said Premises by reason of default in the payment thereof.

(ii) The amount of the Institutional Loan secured by each Institutional Mortgage shall be supported by an appraisal of a type normally obtained by the particular Institutional Lender which shows that the relationship of such Institutional Loan to the economic value of that portion of Said Premises to be covered by the related Institutional Mortgage, taking into consideration all prior existing mortgages thereon, is in keeping with the standards customarily employed by such Institutional Lender. In no event shall such Institutional Loan or the related Institutional Note be secured by real or personal property other than the Apartment House Property (as defined in the Sale Agreement) nor be guaranteed by any person, partnership, corporation or entity. In addition the aggregate principal amount of the Institutional Notes secured by an Institutional Mortgage or Mortgages covering a Phase of Said Premises (viz, the Phase I Premises, the Phase II Premises, or the Phase III Premises), shall at no time or times exceed the lesser of:

(a) 75% of the appraised value of such Phase of Said Premises as shown by the appraisals obtained by the Institutional Lender as aforesaid; or (b) \$3,400,000 in the case of the Phase I Premises; \$3,433,600 in the case of the Phase II Premises; and \$1,815,000 in the case of the Phase III Premises.

(iii) The Mortgagee hereof shall use its best efforts to obtain an Institutional Note whereunder the installments or amounts payable thereunder

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