

Refinancing than it was immediately prior to the Refinancing;

(vii) The New Note and the New Mortgage shall be substantially similar to the Note and this Mortgage, including, without limitation, provisions for (a) the New Note may be prepaid in whole or in part at any time without prior notice or penalty, (b) Mortgagor is exculpated from personal liability in form substantially similar to Article 16 of this Mortgage, (c) insurance proceeds and the proceeds arising from an condemnation or other source as provided in Article 6 hereof will be made available to Mortgagor as herein provided, and (d) the New Mortgage permits the mortgage in favor of The Robert A. McNeil Corporation as specified in Article 17 hereof.

Mortgagor agrees to cooperate in respect of the Refinancing and furnish all information reasonably required in connection therewith and to execute within fifteen (15) days after Mortgagee's written request therefor, any and all documents that may be necessary to effectuate the Refinancing, provided that such documents and the Refinancing are in accordance with the provisions of this Article 18.

19. Anything contained herein to the contrary notwithstanding, Mortgagor shall be entitled to set-off against each of the first twelve (12) monthly installments of interest due pursuant to the Note and secured by this Mortgage, an amount equal to \$30,210.00 less and subtracted therefrom the sum of the apartment rentals collected by Mortgagor from the Premises during the preceding month; provided, however, in no event shall the aggregate sum of such set-offs exceed \$72,000.00.

20. In Mortgagor's purchasing the Premises from Mortgagee, Mortgagor is relying on the real and personal property taxes in respect of the Premises for 1982 not exceeding \$21,000.00. Mortgagor and Mortgagee agree that the amount of the Note and this Mortgage shall be reduced by the amount which is derived by subtracting \$21,000.00 from the amount of the 1982 real and personal property taxes in respect of the Premises and then dividing by 0.1154, and appropriate reductions shall also be made in the monthly installments of interest or principal and interest due pursuant to the Note. Such reduction, if any, shall take effect automatically as soon as the amount of the 1982 real and personal property taxes are known, but either Mortgagor or Mortgagee shall immediately upon the request of the other, execute appropriate amendments to the Note and this Mortgage to reflect such reductions.

IN WITNESS WHEREOF, the undersigned Mortgagor, Bent Oak Associates, has caused this instrument to be duly executed, sealed, and delivered this day of October, 1981.

Signed, sealed and delivered in the presence of:

Samuel H. Zetoff
Witness

Catherine Lehmann
Witness

BENT OAK ASSOCIATES, a South Carolina limited partnership acting by and through its corporate general partner, The Pacific Income Plan of California, a California corporation

THE PACIFIC INCOME PLAN COMPANY OF CALIFORNIA, general partner

By: J. Robert Love
J. Robert Love,
Vice President

(CORPORATE SEAL)