

principal and interest portions of the Promissory Note are made to Paragraphs 1.04 (c) and (d); Paragraph 1.06; Paragraphs 1 and 6 of Exhibit "Q". ANY FUTURE OWNER OF THIS MORTGAGE IS PLACED ON NOTICE BY THIS STATEMENT IN THIS MORTGAGE THAT THE FACE AMOUNT OF THE NOTE THAT THIS MORTGAGE SECURES AND THE PRINCIPAL AND INTEREST PAYMENTS DUE UNDER IT AND THE PAYMENTS DUE UNDER THE ABOVE REFERENCED MANAGEMENT AGREEMENT ARE SUBJECT TO REDUCTION AND POSSIBLE ELIMINATION ANY SUCH FUTURE OWNER SHOULD REQUIRE THE MORTGAGEE TO PROVIDE IT WITH A SIGNED, DUPLICATE ORIGINAL COPY OF THE ABOVE REFERENCED CONTRACT OF SALE AND DEVELOPMENT AGREEMENT TO ASCERTAIN THE REDUCTION PROVISIONS CONTAINED THEREIN. Any future owner of the Promissory Note or this Mortgage purchases those documents subject to the terms and provisions of offset as contained in said CONTRACT OF SALE AND DEVELOPMENT AGREEMENT.

15. The payment obligations of Paragraph V(B) (1) and (2) of the Management Agreement of even date between the Mortgagor and Mortgagee are made an "additional secured indebtedness" of this Mortgage. The failure by the Mortgagor to pay, when due, the payments as stated in Paragraph V(B) (1) and (2) of the Management Agreement shall be an additional "event of default" under the terms of this Mortgage.
  
16. The principal and interest payments due on the Note shall reduced by the amount that has been in fact paid by the Mortgagor as of the due date of each installment for any operating expenses for the operation of the Property that have not been paid from the rental income of the Property. This set off provision is to reimburse the Mortgagor for any out of pocket expenditure made by it to cover the operation of the Property (other than the payments due on the Note). This is a NEGATIVE CASH FLOW GUARANTEE by the Mortgagee in favor of the Mortgagor.

RECORDED DEC 28 1984 at 11:47 A.M.

19254