

(1) This Mortgage is given to secure certain promissory notes (hereinafter called the "Notes" as described in the following described Indenture) issued under an Indenture date as of January 23, 1984, between Fairmeadow, Ltd., as Trustor, and Valley Bank and Trust Company, as Trustee, said Indenture being for the purpose of providing for the authentication of the Notes by the Beneficiary of this Deed of Trust, establishing the terms and conditions upon which the Notes are to be issued, and empowering the Beneficiary to act for the proportionate benefit of the respective holders of the Notes.

(2) It is stipulated and agreed that this Mortgage is granted subject to the exceptions set forth in Exhibit A attached hereto and made a part hereof. The instruments described in items (1) through (3) ^{and (4)} in Exhibit A hereto evidence prior indebtedness on the Property and are hereafter referred to as the "Underlying Indebtedness", the payment of which Fairmeadow, Ltd., has not assumed and accepts no personal liability with respect to the Underlying Indebtedness, except to the extent that such indebtedness pertains to the performance of any non-monetary covenant contained in any mortgage securing a portion of the Underlying Indebtedness. Anything to the contrary notwithstanding, this Mortgage and all liens, security interests and assignments created hereby are subordinate and inferior to and only to the liens, security interests or assignments created by the Underlying Indebtedness.

(3) Provisions concerning default, notice, waiver of notice, right to cure and grace periods are as set forth in the aforesaid Indenture and are incorporated herein as though fully set forth.

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