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MORTGAGE NOTE

\$ 7,995,000.00

May 1, 1978

FOR VALUE RECEIVED, PILGRIM BAPTIST VILLAGE, INC., a Non-Profit Housing Corporation (II)

organized and existing pursuant to the laws of the State of New Jersey, constituting a qualified housing sponsor as that term is defined by the New Jersey Housing Finance Agency Law of 1967, as amended (hereinafter referred to as the "Act"), having its principal office at 550 Broad Street Newark, New Jersey 07102, c/o Shanley and Fisher New Jersey (hereinafter referred to as the "Borrower"), promises to pay to the order of the NEW JERSEY HOUSING FINANCE AGENCY (hereinafter referred to as the "Lender"), at its principal office at 3535 Quakerbridge Road, Trenton, New Jersey, or at such other place as may be designated in writing by Lender, the principal sum of Seven Million Nine Hundred Ninety Five THOUSAND Dollars (\$ 7,995,000.00), or so much thereof as may hereafter be advanced by the Lender to the Borrower under the terms of the mortgage (the "Mortgage") securing this Mortgage Note.

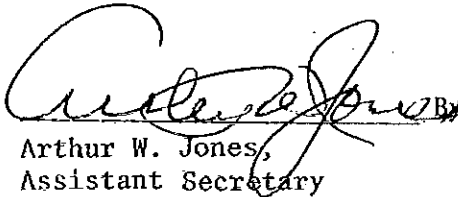
The Borrower promises to pay the principal sum due hereunder, together with interest thereon at the same rate of interest as the Lender is required to pay on the obligations issued by the Lender under the Resolution (defined in the Mortgage) (i) to obtain the funds with which to make the aforesaid loan to the Borrower or (ii) to fund notes of the Lender heretofore issued for such purpose (such rate to be calculated by the Lender by any method generally recognized in the investment banking business) and to pay Fees and Charges as defined in the Mortgage. During the Construction Period (as defined in the Mortgage) payments of interest on the principal sum advanced hereunder and Fees and Charges together with amortization of that portion of the principal sum attributable to housing units available for occupancy as determined by the Lender shall be paid at such times as specified by the Lender and not less often than semiannually. After the end of the Construction Period, principal and interest in the total amount of \$ _____ per month shall be payable in monthly installments on the first day of each calendar month. Fees and Charges shall be payable as provided in the Mortgage. Payments received by the Lender shall be credited first to Fees and Charges and second to interest accrued and unpaid. The balance of each monthly payment shall be held for application to the unpaid principal balance of this Note and shall be so applied and credited on the next ensuing November 1 to the unpaid principal balance of this Note.


This Mortgage Note is secured by a mortgage lien on certain premises and by other security as enumerated in a certain Mortgage executed between the Lender and the Borrower on this date to which reference is made for a description of the security for this Note and certain rights of the Lender, including the right to declare the entire principal amount of this Note immediately due and payable.

All parties to this Mortgage Note, whether Borrower, principal, surety, guarantor or endorser, hereby waive presentment for payment, demand, protest, notice of protest, and notice of dishonor.

PILGRIM BAPTIST VILLAGE, INC. (A Non-Profit
Housing Corporation) II


ATTEST:


Arthur W. Jones,
Assistant Secretary


Avant Lowther,
President

This document has been reviewed
and approved as to form.

JOHN J. DEGNAN
Attorney General of New Jersey

By: 
Deputy Attorney General
Thomas DeNoia