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Recording requested by and
when recorded return to:

Sara A. Magovern, Esq.
Milbank, Tweed, Hadley & McCloy
1 Chase Manhattan Plaza
New York, New York 10005

ISLAND TITLE COMPANY
SB-8558 ✓

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RECORDED _____ FILED _____
REQUEST OF _____

9603050060

ASSIGNMENT OF LEASES AND RENTS

Dated as of February 27, 1996

by

FIRST HORIZON GROUP LIMITED PARTNERSHIP
as Assignor

to

NOMURA ASSET CAPITAL CORPORATION
as Assignee

Property: Pacific Edge Outlet Center
Burlington, Washington

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ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") is made as of February 27, 1996, by FIRST HORIZON GROUP LIMITED PARTNERSHIP, a Delaware limited partnership, having an address at 5000 Hakes Drive, Muskegon, Michigan 49441 ("Assignor"), in favor of NOMURA ASSET CAPITAL CORPORATION, a Delaware corporation, having an address at 2 World Financial Center, Building B, New York, New York 10281-1198 ("Assignee").

R E C I T A L S:

WHEREAS, Assignor is the owner of the fee simple interest in the improved real property described on Exhibit A attached hereto (the "Facility");

WHEREAS, Assignor, as borrower, and Assignee, as lender, are parties to a Loan Agreement dated as of the date hereof (said Loan Agreement, as modified and supplemented and in effect from time to time, the "Loan Agreement"), which Loan Agreement provides for a loan to be made by Assignee to Assignor (the "Loan") which Loan is evidenced by, and repayable with interest thereon in accordance with, a promissory note dated of even date herewith, executed and delivered by Assignor to the order of Assignee in the original principal amount of \$65,000,000 (as modified, supplemented and/or consolidated and in effect from time to time, the "Note");

WHEREAS, Assignor has executed and delivered a Deed of Trust, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof by Assignor, as grantor to Chicago Title Insurance Company, as trustee, for the benefit of Assignee, as beneficiary (in its original form and as hereafter amended, the "Mortgage"), establishing a first priority lien on the Facility to secure the payment and performance of the Note. The Mortgage will be recorded in the County in which the Facility is located prior to the recordation of this Assignment; and

WHEREAS, Assignor intends by the execution and delivery of this Assignment to further secure the payment and performance of the Note;

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Certain Defined Terms. For all purposes of this Assignment, all capitalized terms shall have the meaning ascribed thereto in the Loan Agreement unless defined herein, and:

"Assignee" has the meaning provided in the first paragraph of this Assignment.

"Assignor" has the meaning provided in the first paragraph of this Assignment.

"Default Collateral" has the meaning provided in Section 17.

"Facility" has the meaning provided in the recitals of this Assignment.

"Leases" means all leases and other agreements or arrangements with or assumed by Assignor as landlord affecting the use or occupancy of all or any portion of the Facility now in effect or hereafter entered into (including, without limitation, lettings, subleases, licenses, concessions, tenancies and other occupancy agreements with or assumed by Assignor as landlord covering or encumbering all or any portion of the Facility), together with any guarantees, supplements, amendments, modifications, extensions and renewals of the same, and all additional remainders, reversions and other rights and estates appurtenant thereto.

"Loan" has the meaning provided in the recitals to this Assignment.

"Loan Agreement" has the meaning provided in the recitals to this Assignment.

"Material Lease" means any Lease pursuant to which the aggregate annual base rent and percentage rent exceeds \$100,000.

"Mortgage" has the meaning provided in the recitals to this Assignment.

"Note" has the meaning provided in the recitals to this Assignment.

"Recourse Distributions" has the meaning provided in Section 17.

"Rents" means all rents (whether denoted as base rent, advance rent, minimum rent, percentage rent, additional rent, reimbursements or otherwise), issues, income, royalties, profits, revenues, proceeds, bonuses, deposits (whether denoted as security deposits or otherwise), termination fees, rejection damages, buy-out fees and any other fees made or to be made in lieu of rent to Assignor, any award made hereafter to Assignor in any court proceeding involving any tenant, lessee, licensee or

concessionaire under any of the Leases in any bankruptcy, insolvency or reorganization proceedings in any state or federal court, and all other payments, rights and benefits of whatever nature from time to time due to Assignor under the Leases, including, without limitation, (i) rights to payment earned under the Leases and (ii) all other income, consideration, issues, accounts, profits or benefits of any nature arising from the possession, use and operation of the Facility.

2. Assignment of Leases and Rents. Assignor does hereby absolutely and unconditionally assign to Assignee Assignor's right, title and interest in all Leases and Rents, it being intended by Assignor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only, subject, however, to the license granted to Assignor as hereinafter described. Such assignment to Assignee shall not be construed to bind Assignee to the performance of any of the covenants, conditions or provisions contained in any of the Leases or otherwise impose any obligation upon Assignee unless and until Assignee exercises its rights and remedies under the Loan Documents to take over the management or possession of the Facility or to revoke the license granted to Assignor. Assignor agrees to execute and deliver to Assignee such additional instruments, in form and substance reasonably satisfactory to Assignee, as may hereafter be requested by Assignee to further evidence and confirm such assignment. Nevertheless, subject to the terms of this Section 2, Assignee grants to Assignor a license, revocable as hereinafter provided, to operate and manage the Facility and to collect and use the Rents subject to the requirements of the Loan Agreement. In accordance with Section 2.12(a) of the Loan Agreement, all tenants under existing Leases have been notified by Assignor to commence paying Rents to the Property Collection Account as of the date hereof and Assignor shall notify all tenants under future Leases that all payments of the Rents shall be made to the Property Collection Account. Amounts in the Property Collection Account will be forwarded to the Cash Collateral Account or to an account designated by Assignor as provided in Section 2.12(g) of the Loan Agreement. Upon the occurrence and during the continuance of an Event of Default, the license granted to Assignor herein may be revoked by Assignee, and Assignee shall immediately be entitled to possession of all of the Rents then in the Property Collection Account and the Cash Collateral Account and all Rents collected thereafter (including Rents past due and unpaid), whether or not Assignee enters upon or takes control of the Facility, all to the extent permitted by applicable law. Assignee is hereby granted and assigned by Assignor the right, at its option, upon revocation of the license granted herein, to enter upon the Facility in person, by agent or by court appointed receiver to collect the Rents, all to the extent permitted by

applicable law. Any of the Rents collected after the revocation of the license may be applied toward payment of the Indebtedness in accordance with Sections 2.8 and 2.12 of the Loan Agreement.

3. Leases; Covenants. Except as provided in this Section 3, Assignor may enter into, terminate, modify or amend Leases without Assignee's approval. Assignor shall:

(i) not enter into any Material Lease if the rent payable thereunder would be less than 90% of the rent paid by the tenant(s) formerly leasing the space covered by such Material Lease or make a material modification to any Material Lease, in each instance, without Assignee's approval, which approval shall not be unreasonably withheld or delayed;

(ii) not terminate any Material Lease except in connection with a Tenant default without Assignee's approval, which approval shall not be unreasonably withheld or delayed;

(iii) not permit the prepayment of any Rents due under any Lease for more than 30 days in advance nor for more than the next accruing installment of rents, unless any such prepaid rents are deposited in the Rent Payment Sub-Account;

(iv) perform all material obligations required to be performed by Assignor under each Lease, until the occurrence of a default by the Tenant under such Lease;

(v) deliver to Assignee any notices of default received by Assignor from any Tenants of any Material Leases within three days after receipt thereof by Assignor;

(vi) not further assign any Rent due under the Leases or Assignor's interest as landlord under the Leases;

(vii) deliver to Assignee at Assignee's request copies of all Material Leases;

(viii) not Transfer or suffer or permit to occur a Transfer of all or any part of the Facility or of any interest therein so as to effect a merger of the estates and rights of lessees thereunder;

(ix) in accordance with Assignor's normal and customary business practices, make all reasonable efforts to seek lessees for rentable space as it becomes vacant and enter into Leases in accordance with the terms hereof;

(x) assign and transfer to Assignee any and all subsequent Leases;

(xi) not enter into any Lease with an Affiliate without Assignee's approval, which approval shall not be unreasonably withheld or delayed; and

(xii) without limiting any other provision hereof, execute and deliver at the request of Assignee all such further assurances, confirmations and assignments in connection with the Facility as Assignee shall from time to time reasonably require in order to accomplish the purposes of this Assignment; provided, however, that no such further assurances, confirmations and assignments shall increase Assignor's obligations or diminish Assignor's rights under the Loan Documents.

If Assignee does not respond to a request for approval pursuant to clauses (i), (ii) or (xi) of this Section 3 within ten Business Days after such request is deemed given pursuant to Section 8.6 of the Loan Agreement, Assignor may send a second request for such consent which will be marked "SECOND REQUEST". If Assignee does not respond to such second request within three Business Days after it is deemed given, Assignee shall be deemed to have given such consent.

4. Security Deposits. In accordance with Section 2.12(a) of the Loan Agreement, all security deposits shall be payable to Manager. Manager shall collect all security deposits with respect to the Facility and shall endorse all checks and deposit all such funds within three Business Days after receipt thereof directly into the Security Deposit Account. Any bond or other instrument which Assignor is permitted to hold in lieu of cash security deposits under applicable Legal Requirements shall be maintained in full force and effect unless replaced by cash deposits, shall be issued by a Person reasonably satisfactory to Assignee, shall, if permitted pursuant to Legal Requirements, name Assignee as payee or beneficiary thereunder (or at Assignee's option, be fully assignable to Assignee) and shall, in all respects, comply with applicable Legal Requirements and otherwise be reasonably satisfactory to Assignee. Assignor shall notify Assignee of any security deposits held as letters of credit and, upon Assignee's request, such letters of credit shall be delivered to Servicer. Assignor shall, upon request, provide Assignee with evidence reasonably satisfactory to Assignee of Assignor's compliance with the provisions of this Section 4. Assignor shall have no right of withdrawal from the Security Deposit Account except that, prior to the Property Collection Account Bank's receipt of notice of the occurrence of an Event of Default from Servicer (given at the request of Assignee),

Assignor may withdraw funds from the Security Deposit Account to refund or apply security deposits as required by the Leases or by applicable Legal Requirements, and, after receipt of such notice, Assignee, on written request from Assignor with appropriate supporting materials, will direct the Property Collection Account Bank to release funds from the Security Deposit Account to refund security deposits as required by the Leases or by applicable Legal Requirements. If Assignor receives funds from the Security Deposit Account or from letters of credit or other instruments held in lieu of cash security deposits then, except as provided in the preceding sentence with respect to funds to be refunded to tenants, such funds shall be deposited in the Property Collection Account within three Business Days after receipt thereof.

5. Representations. Assignor hereby represents and warrants to Assignee that, except as disclosed on Schedule 3 to the Loan Agreement, Assignor has not (a) executed any prior assignment of the Leases or the Rents; (b) performed any act or executed any other instrument which might prevent Assignee from operating under any of the terms and conditions of this Assignment or which would limit Assignee in such operation; (c) executed or granted any modification whatsoever of any Lease which has not been delivered to Assignee; (d) given to nor received any written notice of default from any tenant which, individually or in the aggregate, might have a Material Adverse Effect, and, to Assignor's knowledge, no events or circumstances exist which with or without the giving of notice, the passage of time or both may constitute a default under any of the Leases which in the aggregate might have a Material Adverse Effect; and (e) entered into any Lease with an Affiliate that is not on market terms.

6. Additional Terms. This Assignment is made on the following terms, covenants and conditions:

(a) Prior to the occurrence and continuance of an Event of Default, Assignor shall have the right to collect, in accordance with the terms hereof and of the Loan Agreement, all of the Rents and to apply the same in accordance with the Loan Agreement;

(b) At any time after the occurrence and continuance of an Event of Default, Assignee, without in any way waiving such Event of Default, at its option, to the extent permitted by applicable law, upon notice and without regard to the adequacy of the security for the principal sum, interest and indebtedness secured hereby and by the Mortgage, either in person or by agent, upon bringing any action or proceeding, or by a receiver appointed by a court, may take possession of the Facility and have, hold, manage, lease and operate the same on such terms and

for such period of time as Assignee may deem proper. Assignee, either with or without taking possession of the Facility in its own name, may demand, sue for or otherwise collect and receive all of the Rents, including any Rents past due and unpaid, and apply such Rents to the payment of: (a) all reasonable expenses of managing the Facility, including, without limitation, the salaries, fees and wages of any managing agent and such other employees as Assignee may deem necessary and all expenses of operating and maintaining the Facility, including, without limitation, all taxes, charges, claims, assessments, water rents, sewer rents and any other liens relating to the Facility, and premiums for all insurance which are due and payable and the cost of all alterations, renovations, repairs or replacements, and all reasonable expenses incident to taking and retaining possession of the Facility; and (b) the principal sum, interest and indebtedness secured hereby and by the Mortgage, together with all reasonable costs and reasonable attorneys' fees actually incurred in accordance with Section 2.8 of the Loan Agreement. The exercise by Assignee of the option granted it in this Section 6(b) and the collection of the Rents and the application thereof as herein provided shall not be considered a waiver of any Event of Default under the Note, the Mortgage or this Assignment. Assignor agrees that the exercise by Assignee of one or more of its rights and remedies hereunder shall in no way be deemed or construed to make Assignee a mortgagee-in-possession unless and until such time as Assignee takes actual possession of the Facility; and

(c) Except as provided below, Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure to let the Facility or any portion thereof after the occurrence and during the continuance of an Event of Default or from any other act or omission of Assignee either in collecting the Rents or, if Assignee shall have taken possession of the Facility, in managing the Facility after any such Event of Default unless such loss is caused by the negligence or willful misconduct of Assignee. Assignee shall not be obligated to perform or discharge, nor does Assignee hereby undertake to perform or discharge, any obligation, duty or liability under any Lease or under or by reason of this Assignment. Assignor shall, and does hereby agree to indemnify Assignee for, and to hold Assignee harmless from, any and all liability, loss or damage which may or might be incurred under said Leases or under or by reason of this Assignment and the exercise of Assignee's remedies hereunder and under the Loan Documents and from any and all claims and demands whatsoever which may be asserted against Assignee by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said Leases (all such liabilities, losses, damages, claims and demands, collectively and severally,

"Losses"), but excluding Losses caused by (x) Assignee's negligence or willful misconduct or (y) actions taken or omitted to be taken by Assignee after Assignee acquires title to the Facility through foreclosure, deed-in-lieu of foreclosure or otherwise. Notwithstanding the foregoing, Losses caused by actions taken or omitted to be taken by Assignee after Assignee becomes a mortgagee-in-possession or otherwise takes possession or control of the Facility following an Event of Default shall not be covered by the foregoing indemnity if Assignee fails to keep all liability insurance required by the Deed of Trust in effect and, if such insurance is maintained, the indemnification obligation shall not exceed the amount of the insurance maintained and collected. It shall be Assignor's burden to prove that any Loss is caused by the negligence, willful misconduct or actions or failure to act of Assignee. The indemnification provided by Assignor in this Section 6 is not intended to cover the matters covered by Assignor's indemnifications described in Sections 2.15 or 5.1(I) of the Loan Agreement and shall not in any way alter, increase or decrease Assignor's indemnification obligations pursuant to Sections 2.15 or 5.1(I) of the Loan Agreement. Should Assignee incur any such liability under said Leases or under or by reason of this Assignment or in defense of any such claims or demands, the amount thereof (including reasonable costs and expenses and reasonable attorneys' fees and disbursements) shall be secured hereby, and Assignor shall reimburse Assignee therefor within ten days of demand therefor, which amount shall bear interest at the Default Rate from the date due until the date of payment, and upon the failure of Assignor so to do Assignee may, at its option, exercise Assignee's remedies under the Mortgage. It is further understood that unless and until Assignee shall become a mortgagee-in-possession or the fee owner of the Facility or otherwise takes possession or control of the Facility following an Event of Default, this Assignment shall not operate to place responsibility for the control, care, management or repair of the Facility upon Assignee, nor for the carrying out of any of the terms and conditions of any Lease; nor shall it operate to make Assignee responsible or liable for any waste committed on the Facility by the tenants or any other parties, or for any dangerous or defective condition of the Facility, or for any negligence in the management, upkeep, repair or control of the Facility resulting in loss or injury or death to any tenant, licensee, employee or stranger.

7. Notices. All notices, demands, consents, requests or other communications that are permitted or required to be given by any party to the other hereunder shall be in writing and given in the manner specified in Section 8.6 of the Loan Agreement.

8. Binding Obligations. The provisions and covenants of this Assignment shall run with the Facility, shall be binding upon Assignor, its successors and assigns, and shall inure to the benefit of Assignee, its successors and assigns.

9. Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties hereto and are not a part of this Assignment.

10. Severability. If any term or provision of this Assignment or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Assignment, or the application of such term or provision to Persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Assignment shall be valid and enforceable to the maximum extent permitted by law.

11. Assignor's Obligations Absolute. Except as set forth to the contrary in the Loan Documents, all sums payable by Assignor hereunder shall be paid without notice, demand, setoff or deduction and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Assignor hereunder shall in no way be released, discharged, or otherwise affected (except as expressly provided herein) by reason of: (a) any damage to or destruction of or any Taking of the Facility or any portion thereof; (b) any restriction or prevention of or interference with any use of the Facility or any portion thereof; (c) any title defect or encumbrance or any eviction from the Facility or any portion thereof by title paramount or otherwise; (d) any bankruptcy proceeding relating to Assignor, any partner of Assignor, or any guarantor or indemnitor, or any action taken with respect to this Assignment or any other Loan Document by any trustee or receiver of Assignor or any such partner, guarantor or indemnitor, or by any court, in any such proceeding; or (e) any other occurrence similar to the foregoing, whether or not Assignor shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Assignor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any sum secured hereby and payable by Assignor.

12. Amendments. This Assignment cannot be modified, changed or discharged except by an agreement in writing, duly acknowledged in form for recording, signed by Assignor and Assignee.

13. Exhibits. The information set forth on the cover, heading and recitals hereof, and the Exhibit attached hereto, are

hereby incorporated herein as a part of this Assignment with the same effect as if set forth in the body hereof.

14. Time of the Essence. Time is of the essence with respect to each and every covenant, agreement and obligation of Assignor under this Assignment.

15. Termination. When the Mortgage has been fully released or reconveyed by Assignee, that release or reconveyance shall operate as a release and discharge of this Assignment and as a reassignment of all future Leases and all Rents with respect to the Facility to the Person or Persons legally entitled thereto, unless such release or reconveyance expressly provides to the contrary.

16. Governing Law. This Assignment shall be governed by the laws of the state of Washington.

17. Exculpation. Notwithstanding anything herein or in any other Loan Document to the contrary, except as otherwise set forth in this Section 17 to the contrary, neither Assignor, HGO, HGI, any Affiliate of Assignor, HGO or HGI nor any other Person shall have any personal liability under this Assignment or any of the other Loan Documents. Without limiting the generality of the foregoing, and notwithstanding anything herein or in any other Loan Document to the contrary, except as otherwise set forth in this Section 17 to the contrary, Assignee shall not enforce the liability and obligation of Assignor to perform and observe the obligations contained in this Assignment, the Note, the Loan Agreement or any of the other Loan Documents executed and delivered by Assignor by any action or proceeding wherein a money judgment shall be sought against Assignor or its partners, except that Assignee may bring a foreclosure action, action for specific performance or other appropriate action or proceeding (including, without limitation, to obtain a deficiency judgment) solely for the purpose of enabling Assignee to realize upon (i) Assignor's interest in the Mortgaged Property, (ii) the Rents and Accounts arising from the Individual Properties to the extent received by Assignor or Manager after the occurrence of an Event of Default and not deposited in the Property Collection Account pursuant to Section 2.12(a) of the Loan Agreement (all such Rents and Accounts, the "Recourse Distributions") and (iii) any other collateral given to Assignee under the Loan Documents ((i), (ii) and (iii), collectively, the "Default Collateral"); provided, however, that any judgment in any such action or proceeding shall be enforceable against Assignor only to the extent of any such Default Collateral. The provisions of this Section 17 shall not, however, (a) impair the validity of the Indebtedness evidenced by the Note or in any way affect or impair the Liens of this Assignment, the Mortgages or any of the other Loan Documents or

the right of Assignee to foreclose the Mortgages following an Event of Default; (b) impair the right of Assignee to name Assignor as a party defendant in any action or suit for judicial foreclosure and sale under the Mortgages; (c) affect the validity or enforceability of the Note, this Assignment, the Mortgages or the other Loan Documents; (d) impair the right of Assignee to obtain the appointment of a receiver; (e) impair the enforcement of this Assignment, the other Assignments of Leases, the Assignments of Agreements, the Pledge and Security Agreement or the Manager's Subordinations (subject to the nonrecourse provisions thereof); (f) impair the right of Assignee to bring suit for actual damages, losses and costs resulting from fraud or intentional misrepresentation by Assignor or any of its Affiliates (including HGI, HGO and Realty) in connection with this Assignment, the Note, the Mortgages, the Loan Agreement or the other Loan Documents; (g) impair the right of Assignee to obtain the Recourse Distributions received by Assignor, including, without limitation, the right to proceed against Assignor's partners to the extent any such Recourse Distributions have actually theretofore been distributed to Assignor's partners; (h) impair the right of Assignee to bring suit with respect to Assignor's misappropriation of security deposits or Rents collected more than one month in advance in violation of the terms of this Assignment or the other Loan Documents; (i) impair the right of Assignee to obtain Insurance Proceeds or Condemnation Proceeds due to Assignee pursuant to the Mortgages; (j) impair the right of Assignee to enforce the provisions of Sections 4.1(P) or 5.1(D)-(I) of the Loan Agreement or the Indemnity Agreement even after repayment in full of the Indebtedness; (k) prevent or in any way hinder Assignee from exercising, or constitute a defense, or counterclaim, or other basis for relief in respect of the exercise of, any other remedy against any or all of the Collateral as provided in the Loan Documents; (l) impair the right of Assignee to bring suit with respect to any misapplication of any funds in violation of the terms of this Assignment or the other Loan Documents; or (m) impair the right of Assignee to sue for, seek or demand a deficiency judgment against Assignor solely for the purpose of foreclosing the Mortgaged Property or any part thereof, or realizing upon the Default Collateral; provided, however, that any such deficiency judgment referred to in this clause (m) shall be enforceable against Assignor only to the extent of any of the Default Collateral. The provisions of this Section 17 shall be inapplicable to Assignor if any petition for bankruptcy, reorganization or arrangement pursuant to federal or state law shall be filed by Assignor (or by HGI, HGO, Realty or another Affiliate of Assignor with respect to Assignor), or if Assignor shall institute any proceeding for the dissolution or liquidation of Assignor, or if Assignor shall make an assignment for the benefit of creditors, in which event Assignee shall have recourse

against all of the assets of Assignor and the interests in Assignor owned by, and the Recourse Distributions received by, Assignor's partners (but excluding the other assets of Assignor's partners to the extent Assignee would not have had recourse against such assets other than in accordance with the provisions of this Section 17). Notwithstanding the foregoing, in the event an Individual Property is released from the lien created by the Related Mortgage, Assignor shall be released in all respects from any further liability with respect to the Loan other than any further indemnity liability for certain kinds of environmental matters arising under Sections 4.1(P) or 5.1(D)-(I) of the Loan Agreement as the same applies to such Individual Property.

18. Assignment. Assignee shall have the right to assign this Assignment and the obligations hereunder to any Person in accordance with the Loan Agreement.

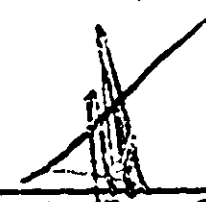
[signature page follows]

IN WITNESS WHEREOF, this Assignment of Leases and Rents has been duly executed and delivered as of the day and year first above written.

ASSIGNOR

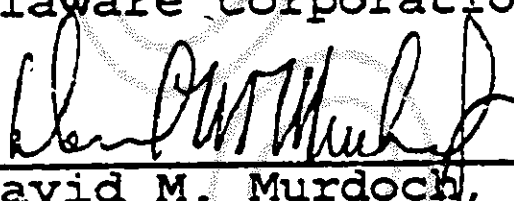
FIRST HORIZON GROUP LIMITED
PARTNERSHIP, a Delaware limited
partnership

By: First HGI, Inc., a Delaware
corporation, General Partner

By: 
Robert L. Stout
Vice President

ASSIGNEE

NOMURA ASSET CAPITAL CORPORATION,
a Delaware corporation

By: 
David M. Murdoch, Jr.
Vice President

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

THIS IS TO CERTIFY that on this 27th day of February, 1996 before me, a Notary Public in and for the State of New York, duly commissioned and sworn, came Robert L. Stout, Vice President of First HGI, Inc., a Delaware corporation, personally known or having presented satisfactory evidence to be the general partner of First Horizon Group Limited Partnership, a Delaware limited partnership, the limited partnership that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited partnership for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS MY HAND and official seal the day and year in this certificate first above written.

ISABELLA M. SQUICCIARINI
Notary Public, State of New York
No. 01SG5050004
Qualified in Suffolk County
Certificate Filed in Suffolk County
Commission Expires Sept. 25, 1997

Isabella M. Squicciarini
Print Name: Isabella M. Squicciarini
Notary Public in and for the
State of New York, residing
at Suffolk County
Expiration Date: 9/25/97

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

THIS IS TO CERTIFY that on this 27 day of February, 1996 before me, a Notary Public in and for the State of New York, duly commissioned and sworn, came David M. Murdoch, Jr., Vice President of Nomura Asset Capital Corporation, a Delaware corporation, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

WITNESS MY HAND and official seal the day and year in this certificate first above written.

ISABELLA M. SQUICCIARINI
Notary Public, State of New York
No 01SQ5050004
Qualified in Suffolk County
Certificate Filed in Suffolk County
Commission Expires Sept. 25, 1997

Isabella M. Squicciarini
Print Name: Isabella M. Squicciarini
Notary Public in and for the
State of New York, residing
at Suffolk County
Expiration Date: 9/25/97



EXHIBIT " A " LEGAL DESCRIPTION

WASHINGTON

PARCEL A:

Lots 1, 2, and 3, CITY OF BURLINGTON SHORT PLAT NO. 1-92 as approved July 18, 1989, and recorded July 27, 1992, in Volume 10 of Short Plats, page 105, under Auditor's File No. 9207270058, records of Skagit County, Washington; being a portion of the Northeast Quarter of the Northeast Quarter of Section 7, Township 34 North, Range 4 East of the Willamette Meridian.

PARCEL B:

Parcel B, CITY OF BURLINGTON SHORT PLAT NO. B-1-92 as approved June 2, 1992, and recorded June 11, 1992, in Volume 10 of Short Plats, pages 88 and 89, under Auditor's File No. 9206110001, records of Skagit County, Washington; being a portion of the Northeast Quarter of the Northeast Quarter of Section 7, Township 34 North, Range 4 East of the Willamette Meridian.

PARCEL C:

Parcel A, CITY OF BURLINGTON SHORT PLAT NO. B-1-92 as approved June 2, 1992, and recorded June 11, 1992, in Volume 10 of Short Plats, pages 88 and 89, under Auditor's File No. 9206110001, records of Skagit County, Washington; being a portion of the Northeast Quarter of the Northeast Quarter of Section 7, Township 34 North, Range 4 East of the Willamette Meridian.

PARCEL D:

An easement for drainage, as acquired by document recorded under Auditor's File No. 8811230046, records of Skagit County, Washington, over and across the following described property:

The West 20 feet of Lot 3, CITY OF BURLINGTON SHORT PLAT NO. 37-76 as approved August 2, 1976, and recorded August 5, 1976, in Volume 1 of Short Plats, page 156, under Auditor's File No. 840316, records of Skagit County, Washington; being a portion of the Southeast Quarter of the Southeast Quarter of Section 6, Township 34 North, Range 4 East of the Willamette Meridian.

PARCEL E:

An easement acquired by instruments recorded November 23, 1988, under Auditor's File No. 8811230048, records of Skagit County, Washington, for ingress, egress, and utilities, over, under, and across a 36.00-foot strip of land lying 18.00 feet each side of the following described centerline:

Commencing at the Northeast corner of Section 7, Township 34 North, Range 4 East of the Willamette Meridian;
thence South $01^{\circ}34'38''$ East, along the East line of said Section 7 a distance of 13.72 feet;
thence South $86^{\circ}59'04''$ West, 40.01 feet to the true point of beginning;
thence continuing South $86^{\circ}59'04''$ West, 56.99 feet to the beginning of a curve to the left having a radius of 170.00 feet;
thence Southwesterly along said curve through a central angle of $66^{\circ}32'00''$, an arc distance of 197.41 feet;
thence South $20^{\circ}27'04''$ West, 124.00 feet to the beginning of a curve to the right, having a radius of 273.00 feet;
thence Southwesterly along said curve through a central angle of $71^{\circ}07'06''$, an arc distance of 338.86 feet;
thence North $88^{\circ}25'50''$ West, 150.00 feet to the terminus point of said centerline. (Said easement being appurtenant to Parcels B and C).

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PARCEL F:

An easement for ingress, egress, and utilities over, under, and across that area delineated as "Access and Utility Easement" on the Easterly portion of Parcel B of City of Burlington Short Plat No. B-1-92 as approved June 2, 1992, and recorded June 11, 1992, in Volume 10 of Short Plats, pages 88 and 89, under Auditor's File No. 9206110001, records of Skagit County, Washington. (Said easement is appurtenant to Parcel C).

ALL situated in Skagit County, Washington.