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Skagit County Auditor

PREPARED BY AND UPON RECORDATION
RETURN TO:

Hunton Andrews Kurth LLP
200 Park Avenue
New York, New York 10116
Attention: Brett L. Gross, Esq.
PWT35913WJ

[SPACE ABOVE THIS LINE FOR RECORDER'S USE]

**DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, FIXTURE FILING, AND
SECURITY AGREEMENT**

The Property encumbered by this instrument includes leaseholds.

TF BURLINGTON WA LLC, as grantor

to

FIRST AMERICAN TITLE INSURANCE COMPANY, as trustee

for the benefit of

UBS AG, STAMFORD BRANCH, as Administrative Agent, as beneficiary

Legal Description:

A AND AB OF K-MART COMMERCIAL PARK AND PORTIONS OF THE NW NW OF
SEC.8, TWP. 34 N., R. 4 E., WM.

The complete legal description is on Exhibit A.

PARCEL NO. P83924/4532-000-001-0008, P83925/4532-000-002-0007, P105309/340408-2-
010-0800, P105310/340408-2-011-0100

THIS DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, FIXTURE FILING, AND SECURITY AGREEMENT (this “**Security Instrument**”) is made as of this 16th day of November, 2021, by **TF BURLINGTON WA LLC**, a Delaware limited liability company, having its principal place of business at c/o Transform MidCo LLC, 3333 Beverly Road, Hoffman Estates, Illinois 60179, together with its successors and/or assigns, “**Borrower**”) to **FIRST AMERICAN TITLE INSURANCE COMPANY**, having an address at 920 Fifth Avenue, Suite 1250, Seattle, Washington 98104, as trustee (“**Trustee**”) for the benefit of **UBS AG, STAMFORD BRANCH**, as administrative agent for itself and the Lenders (as defined in the Credit Agreement (defined below)), having an address at 600 Washington Boulevard, Stamford, Connecticut 06901 (in such capacity, together with its permitted successors and/or assigns in such capacity, “**Administrative Agent**”), as mortgagee. All capitalized terms not defined herein shall have the respective meanings set forth in the Credit Agreement (defined below).

RECITALS:

This Security Instrument is given to Administrative Agent, for the benefit of the Lenders, to secure a certain loan in the original principal amount of FOUR HUNDRED SIXTY MILLION AND NO/100 DOLLARS (\$460,000,000.00) (the “**Loan**”) advanced pursuant to a certain Credit Agreement between Borrower, Lenders and Administrative Agent (as the same may have been or may be amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Credit Agreement**”), which such Loan is evidenced by, among other things, one or more promissory notes executed in connection with the Credit Agreement (together with all extensions, renewals, replacements, restatements or other modifications thereof, whether one or more being hereinafter collectively referred to as the “**Note**”);

Borrower desires to secure the payment of the outstanding principal amount set forth in, and evidenced by, the Credit Agreement and the Note together with all interest accrued and unpaid thereon and all other sums due to Lenders in respect of the Loan under the Note, the Credit Agreement, this Security Instrument or any of the other Loan Documents (defined below) (collectively, the “**Debt**”) and the performance of all of the obligations due under the Note, the Credit Agreement and all other documents, agreements and certificates executed and/or delivered in connection with the Loan (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, collectively, the “**Loan Documents**”); and

This Security Instrument is given pursuant to the Credit Agreement, and payment, fulfillment, and performance of the obligations due thereunder and under the other Loan Documents are secured hereby in accordance with the terms hereof.

[NO FURTHER TEXT ON THIS PAGE]

Store #: 3722; County: Skagit; State: Washington

Article 1 – GRANTS OF SECURITY

Section 1.1 PROPERTY MORTGAGED. Borrower does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer, convey and grant a security interest to Trustee, its successors and assigns, for the benefit of Administrative Agent for the benefit of Lenders and their respective successors and assigns all of Borrower's right, title and interest in and to the following property, rights, interests and estates which are now owned, or hereafter acquired by Borrower (collectively, the "**Property**");

(a) Land. The real property described in Exhibit A attached hereto and made a part hereof (collectively, the "**Land**");

(b) Additional Land. All additional lands, estates and development rights hereafter acquired by Borrower for use in connection with the Land and the development of the Land and all additional lands and estates therein which may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Security Instrument;

(c) Intentionally Omitted;

(d) Intentionally Omitted;

(e) Improvements. The buildings, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (collectively, the "**Improvements**");

(f) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the Improvements, and the reversions and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, rights of dower, rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Borrower of, in and to the Land and the Improvements, and every part and parcel thereof, with the appurtenances thereto;

(g) Fixtures and Personal Property. All machinery, equipment, fixtures (including, but not limited to, all heating, air conditioning, plumbing, lighting, communications and elevator fixtures), software used in or to operate any of the foregoing and other property of every kind and nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Land and the Improvements, or appurtenant thereto, and usable in connection with the present or future operation and occupancy of the Land and the Improvements and all building equipment, materials and supplies of any nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon the Land and the Improvements, or appurtenant thereto, or usable in connection with the present or future operation and occupancy of the Land and the Improvements (collectively, the

“Personal Property”), and the right, title and interest of Borrower in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state or states where any of the Property is located (the **“Uniform Commercial Code”**), and all proceeds and products of the above;

(h) Leases and Rents. All leases, subleases, subsubleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which any Person is granted by Borrower a possessory interest in, or right to use or occupy all or any portion of the Land and the Improvements (including, without limitation, the Master Lease (defined below)), and every modification, amendment or other agreement relating to such leases, subleases, subsubleases, or other agreements entered into in connection with such leases, subleases, subsubleases, or other agreements and every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into, whether before or after the filing by or against Borrower of any petition for relief under any Creditors Rights Laws (collectively, the **“Leases”**) and all right, title and interest of Borrower, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, rent equivalents, moneys payable as damages or in lieu of rent or rent equivalents, royalties (including, without limitation, all oil and gas or other mineral royalties and bonuses), income, receivables, receipts, revenues, deposits (including, without limitation, security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower or its agents or employees from any and all sources arising from or attributable to the Property, including, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of property or rendering of services by Borrower and proceeds, if any, from business interruption or other loss of income insurance whether paid or accruing before or after the filing by or against Borrower of any petition for relief under any Creditors Rights Laws (collectively, the **“Rents”**) and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt;

(i) Insurance Proceeds. All insurance proceeds in respect of the Property under any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Property (collectively, the **“Insurance Proceeds”**);

(j) Condemnation Awards. All condemnation awards, including interest thereon, which may heretofore and hereafter be made with respect to the Property by reason of any taking or condemnation, whether from the exercise of the right of eminent domain (including, but not limited to, any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Property (collectively, the **“Awards”**);

(k) Tax Certiorari. All refunds, rebates or credits in connection with reduction in real estate taxes and assessments charged against the Property as a result of tax certiorari or any applications or proceedings for reduction;

(l) Rights. The right, in the name and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Lender in the Property;

(m) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and any part thereof and any Improvements or any business or activity conducted on the Land and any part thereof and all right, title and interest of Borrower therein and thereunder, including, without limitation, the right, upon the occurrence and during the continuance of an Event of Default hereunder, to receive and collect any sums payable to Borrower thereunder;

(n) Intangibles. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property, excluding, however, the tradenames "Sears" and "Kmart" and any variations thereof and any trademarks and goodwill associated therewith;

(o) Accounts. All reserves, escrows and deposit accounts maintained by Borrower with respect to the Property, including without limitation, any reserves or accounts established under the Credit Agreement and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time and all proceeds, products, distributions or dividends or substitutions thereon and thereof (collectively, the "**Accounts**");

(p) Master Lease. That certain Third Amended and Restated Master Lease Agreement, dated as of the date hereof, by and between Borrower and certain of its Affiliates, as lessor, and Transform SR Holdings LLC, a Delaware limited liability company, as lessee, and that certain Second Amended and Restated Guaranty of Lease, dated as of the date hereof, by Transform Midco LLC, a Delaware limited liability company, as guarantor, in favor of Borrower and certain of its Affiliates (collectively, as the same may be further amended, supplemented, replaced, restated and/or otherwise modified from time to time, the "**Master Lease**");

(q) Proceeds. All proceeds of any of the foregoing items set forth in subsections (a) through (p) including, without limitation, Insurance Proceeds and Awards, whether cash, liquidation claims (or other claims) or otherwise; and

(r) Other Rights. Any and all other rights of Borrower in and to the items set forth in subsections (a) through (q) above.

This Section 1.1 is intended to grant in favor of Administrative Agent (for the benefit of Lenders) a first priority continuing lien and security interest in all of the Property. Borrower

authorizes Administrative Agent (for the benefit of Lenders) and its counsel to file customary UCC financing statements in form and substance reasonably satisfactory to Administrative Agent, describing the collateral as all assets of Borrower, all Property of Borrower or using words with similar effect.

Section 1.2 ASSIGNMENT OF RENTS. Borrower hereby absolutely and unconditionally assigns to Administrative Agent (for the benefit of Lenders) all of Borrower's right, title and interest in and to all current and future Leases and Rents; it being intended by Borrower that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, in each case subject to the terms of the Credit Agreement and this Security Instrument (including, Section 8.1(h) hereof), Administrative Agent grants to Borrower a revocable license to (i) collect, receive, use and enjoy the Rents, and (ii) administer the Leases.

Section 1.3 SECURITY AGREEMENT. This Security Instrument is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests (except as expressly set forth herein), whether tangible or intangible in nature, of Borrower in the Property. By executing and delivering this Security Instrument, Borrower hereby grants to Administrative Agent (for the benefit of Lenders), as security for the Obligations (hereinafter defined), a security interest in the Personal Property to the full extent that the Personal Property may be subject to the Uniform Commercial Code.

Section 1.4 FIXTURE FILING. Certain of the Property is or will become "fixtures" (as that term is defined in the Uniform Commercial Code) on the Land, and this Security Instrument, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is or may become fixtures.

Section 1.5 CONDITIONS TO GRANT. TO HAVE AND TO HOLD the above granted and described Property unto Trustee for and on behalf of Administrative Agent (for the benefit of Lenders) and to the use and benefit of Administrative Agent (for the benefit of Lenders) and Trustee and their successors and assigns, forever; IN TRUST, WITH POWER OF SALE, to secure payment to Lenders of the Debt at the time and in the manner provided for its payment in the Note and the Credit Agreement; PROVIDED, HOWEVER, these presents are upon the express condition that, if Lender shall be paid the Debt at the time and in the manner provided in the Note, the Credit Agreement and this Security Instrument, if Borrower shall perform the Other Obligations as set forth in this Security Instrument and shall abide by and comply with each and every covenant and condition set forth herein and in the Note, the Credit Agreement and the other Loan Documents, these presents and the estate hereby granted shall automatically cease, terminate and be void without any further action by the parties hereto. Upon (i) payment in full of all Debt and the performance of all Other Obligations (other than Unliquidated Obligations (in each case as defined in the Credit Agreement)), (ii) a Permitted Sale in accordance with the terms of the Credit Agreement or (iii) a release pursuant to Section 9.20 of the Credit Agreement, Trustee for and on behalf of the Administrative Agent shall, upon written request from Borrower, promptly execute and deliver to Borrower, at Borrower's sole cost and expense, a release of this

Security Instrument in recordable form and in form and substance reasonably acceptable to Borrower.

Article 2 – DEBT AND OBLIGATIONS SECURED

Section 2.1 DEBT. This Security Instrument and the grants, assignments and transfers made in Article 1 are given for the purpose of securing the Debt.

Section 2.2 OTHER OBLIGATIONS. This Security Instrument and the grants, assignments and transfers made in Article 1 are also given for the purpose of securing the performance of the following (the “**Other Obligations**”): (a) all other obligations of Borrower contained herein; (b) each obligation of Borrower contained in the Credit Agreement and any other Loan Document; and (c) each obligation of Borrower contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, the Credit Agreement or any other Loan Document.

Section 2.3 DEBT AND OTHER OBLIGATIONS. Borrower’s obligations for the payment of the Debt and the performance of the Other Obligations shall be referred to collectively herein as the “**Obligations**.”

Section 2.4 PAYMENT OF DEBT. Borrower will pay the Debt at the time and in the manner provided in the Credit Agreement, the Note and this Security Instrument.

Section 2.5 INCORPORATION BY REFERENCE. All the covenants, conditions and agreements contained in (a) the Credit Agreement, (b) the Note and (c) all and any of the other Loan Documents, are hereby made a part of this Security Instrument to the same extent and with the same force as if fully set forth herein.

Article 3 – PROPERTY COVENANTS

Borrower covenants and agrees that:

Section 3.1 INSURANCE. Borrower shall obtain and maintain, or cause to be obtained and maintained, in full force and effect at all times insurance with respect to Borrower and the Property as required pursuant to the Credit Agreement.

Section 3.2 TAXES AND OTHER CHARGES. Borrower shall pay, or cause to be paid, all real estate and personal property taxes, assessments, water rates or sewer rents (collectively “**Taxes**”), ground rents, maintenance charges, impositions (other than Taxes), and any other charges, including, without limitation, vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Property (collectively, “**Other Charges**”), now or hereafter levied or assessed or imposed against the Property or any part thereof, in each case in accordance with the terms of the Credit Agreement and subject to Borrower’s (or the Master Lessee’s) rights (if any) to contest the same in accordance with the terms of the Credit Agreement.

Section 3.3 LEASES. Borrower shall not enter in any Leases for all or any portion of the Property in violation of the provisions of the Credit Agreement.

Section 3.4 WARRANTY OF TITLE. Borrower has good and marketable title to the Property (subject only to Permitted Encumbrances) and has the right to mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey the same. Borrower possesses an unencumbered fee simple absolute estate in the Land and the Improvements except for the Permitted Encumbrances, such other liens as are permitted pursuant to the Loan Documents and the liens created by the Loan Documents. This Security Instrument, when properly recorded in the appropriate records, together with any Uniform Commercial Code financing statements required to be filed in connection therewith, will create (a) a valid, perfected first priority lien on the Property, subject only to Permitted Encumbrances and the liens created by the Loan Documents and (b) perfected security interests in and to, and perfected collateral assignments of, all personalty (including the Leases), all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances, such other liens as are permitted pursuant to the Loan Documents and the liens created by the Loan Documents. Borrower shall forever warrant, defend and preserve the title and the validity and priority of the lien of this Security Instrument and shall forever warrant and defend the same to Administrative Agent and Lenders against the claims of all Persons whomsoever.

Article 4 – FURTHER ASSURANCES

Section 4.1 COMPLIANCE WITH CREDIT AGREEMENT AND OTHER LOAN DOCUMENTS. Borrower shall comply with all covenants set forth in the Credit Agreement and the other Loan Documents relating to acts or other further assurances to be made on the part of Borrower in order to protect and perfect the lien or security interest hereof upon, and in the interest of Administrative Agent and Lenders in, the Property.

Section 4.2 AUTHORIZATION TO FILE FINANCING STATEMENTS; POWER OF ATTORNEY. Borrower hereby authorizes Administrative Agent at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements as authorized by applicable law, as applicable to all or part of the Personal Property and as necessary or required in connection herewith. For purposes of such filings, Borrower agrees to furnish any information reasonably requested by Administrative Agent promptly upon request by Administrative Agent. Borrower hereby irrevocably constitutes and appoints Administrative Agent and any officer or agent of Administrative Agent, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Borrower or in Borrower's own name to execute in Borrower's name any such documents and otherwise to carry out the purposes of this Section 4.2, to the extent that Borrower's authorization above is not sufficient and Borrower fails or refuses to promptly execute such documents. To the extent permitted by law, Borrower hereby ratifies all acts said attorneys-in-fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

Article 5 – DUE ON SALE/ENCUMBRANCE

Section 5.1 NO SALE/ENCUMBRANCE. Borrower shall not cause or permit any Transfer in violation of the terms of the Credit Agreement .

Article 6 – PREPAYMENT; RELEASE OF PROPERTY

Section 6.1 PREPAYMENT. The Debt may not be prepaid in whole or in part except in strict accordance with the express terms and conditions of the Note and the Credit Agreement.

Section 6.2 RELEASE OF PROPERTY. Borrower shall not be entitled to a release of any portion of the Property from the lien of this Security Instrument except in accordance with terms and conditions of Section 1.5 hereof and the Credit Agreement.

Article 7 – DEFAULT

Section 7.1 EVENT OF DEFAULT. The term “Event of Default” as used in this Security Instrument shall have the meaning assigned to such term in the Credit Agreement.

Article 8 – RIGHTS AND REMEDIES UPON DEFAULT

Section 8.1 REMEDIES. Upon the occurrence and during the continuance of any Event of Default, Borrower agrees that Administrative Agent (for the benefit of Lenders) may or acting by or through Trustee may take such action, without notice or demand, as it deems advisable to protect and enforce Lenders’ rights against Borrower and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Administrative Agent or Trustee may determine, in their sole discretion, without impairing or otherwise affecting the other rights and remedies of Administrative Agent, Lenders or Trustee to the fullest extent permitted by applicable law, subject to any applicable notice and cure periods as provided for in the Credit Agreement:

- (a) declare the entire unpaid Debt to be immediately due and payable;
- (b) institute proceedings, judicial or otherwise, for the complete foreclosure of this Security Instrument under any applicable provision of law, in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;
- (c) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Debt then due and payable, subject to the continuing lien and security interest of this Security Instrument for the balance of the Debt not then due, unimpaired and without loss of priority;
- (d) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Borrower therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law;

(e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note, the Credit Agreement or in the other Loan Documents;

(f) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Security Instrument or the other Loan Documents;

(g) seek and obtain the appointment of a receiver, trustee, liquidator or conservator of the Property, without regard for the adequacy of the security for the Debt and without regard for the solvency of Borrower, any guarantor or indemnitor under the Loan or any other Person liable for the payment of the Debt;

(h) the license granted to Borrower under Section 1.2 hereof shall automatically be revoked and to the extent permitted by applicable law, Administrative Agent may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Borrower and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Borrower and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Borrower agrees to surrender possession of the Property and of such books, records and accounts to Administrative Agent upon demand, and thereupon Administrative Agent (for the benefit of Lenders) may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat; (ii) complete any construction on the Property in such manner and form as Administrative Agent deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Borrower with respect to the Property, whether in the name of Borrower or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Property and every part thereof; (v) require Borrower to pay monthly in advance to Administrative Agent, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Borrower; (vi) require Borrower to vacate and surrender possession of the Property to Administrative Agent or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the payment of the Debt, in such order, priority and proportions as Administrative Agent may determine in accordance with the terms of the Loan Documents after deducting therefrom all expenses (including reasonable attorneys' fees) actually incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, insurance and other expenses in connection with the Property. If at any time such license is revoked in accordance with the terms hereof and thereafter all Events of Default are cured in accordance with the terms hereof, the Credit Agreement and the other Loan Documents and no Event of Default exists, such license shall be automatically reinstated and shall remain in full force and effect until the occurrence of a subsequent Event of Default, at which time said license shall again be automatically revoked in accordance with the terms hereof;

(i) apply any sums then deposited or held in escrow or otherwise by or on behalf of Lenders in accordance with the terms of the Credit Agreement, this Security Instrument or any

other Loan Document to the payment of (any or all of) the following items: (i) Taxes and Other Charges; (ii) insurance premiums; (iii) interest on the unpaid principal balance of the Debt; (iv) amortization of the unpaid principal balance of the Debt; (v) all other sums payable pursuant to the Note, the Credit Agreement, this Security Instrument and the other Loan Documents, including without limitation advances made by Lenders pursuant to the terms of this Security Instrument;

(j) surrender the insurance policies maintained pursuant to the Credit Agreement, collect the unearned insurance premiums for such insurance policies and apply such sums as a credit on the Debt in such priority and proportion as Administrative Agent may determine in accordance with the terms of the Loan Documents, and in connection therewith, Borrower hereby appoints Administrative Agent as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for Borrower to collect such insurance premiums;

(k) apply the undisbursed balance of any deposit made by Borrower with or for the benefit of Lenders in connection with the restoration of the Property after a casualty thereto or condemnation thereof, together with interest thereon, to the payment of the Debt in such order, priority and proportions as Administrative Agent shall determine in accordance with the terms of the Loan Documents; and/or

(l) pursue such other remedies as Administrative Agent and Lenders may have under applicable law.

In the event of a sale, by foreclosure, power of sale or otherwise, of less than all of the Property, this Security Instrument shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

Section 8.2 APPLICATION OF PROCEEDS. Upon the occurrence and during the continuance of any Event of Default, the purchase money, proceeds and avails of any disposition of the Property (or any part thereof) and any other sums collected by Administrative Agent pursuant to the Note, this Security Instrument or the other Loan Documents may, in each case, be applied by Administrative Agent to the payment of the Debt in such order, priority and proportions as Administrative Agent may determine in accordance with the terms of the Loan Documents.

Section 8.3 RIGHT TO CURE DEFAULTS. Upon the occurrence and during the continuance of any Event of Default, Administrative Agent or Lenders may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, make any payment or do any act required of Borrower hereunder in such manner and to such extent as Administrative Agent or Lenders may deem necessary to protect the security hereof. Administrative Agent or Trustee is authorized to enter upon the Property for such purposes (to the extent permitted by applicable law), or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Security Instrument or collect the Debt, and the cost and expense thereof (including, without limitation, reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 8.3, shall constitute a portion of the Debt and shall be due and payable to Administrative

Agent (for the benefit of Lenders) upon demand. All such costs and expenses incurred by Administrative Agent or Lenders in remedying such Event of Default or such failed payment or act or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the default interest rate specified in the Credit Agreement, if any (the "**Default Rate**"), for the period after notice from Administrative Agent that such cost or expense was incurred to the date of payment to Administrative Agent or Lenders, as applicable. All such costs and expenses incurred by Administrative Agent, Lenders or Trustee together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Debt and be secured by this Security Instrument and the other Loan Documents and shall be immediately due and payable upon demand by Lender therefor.

Section 8.4 ACTIONS AND PROCEEDINGS. Upon the occurrence and during the continuance of any Event of Default, Administrative Agent or Trustee shall have the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Borrower, which Administrative Agent, in its discretion, decides should be brought to protect its interest in the Property.

Section 8.5 RECOVERY OF SUMS REQUIRED TO BE PAID. Administrative Agent shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Administrative Agent or any Lender thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Borrower existing at the time such earlier action was commenced.

Section 8.6 OTHER RIGHTS, ETC. (a) The failure of Administrative Agent or any Lender or Trustee to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Security Instrument. Borrower shall not be relieved of Borrower's obligations hereunder by reason of (i) the failure of Administrative Agent, any Lender or Trustee to comply with any request of Borrower or any guarantor or indemnitor with respect to the Loan to take any action to foreclose this Security Instrument or otherwise enforce any of the provisions hereof or of the Note or the other Loan Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any Person liable for the Debt or any portion thereof, or (iii) any agreement or stipulation by Administrative Agent extending the time of payment or otherwise modifying or supplementing the terms of the Note, this Security Instrument or the other Loan Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Borrower, and neither Administrative Agent nor any Lender shall have any liability whatsoever for the decline in the value of the Property, for failure to maintain the insurance policies required to be maintained pursuant to the Credit Agreement, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Administrative Agent shall not be deemed an election of judicial relief if any such possession is requested or obtained with respect to any Property or collateral not in Administrative Agent's possession.

(c) Administrative Agent may resort for the payment of the Debt to any other security held by Lenders or Administrative Agent for the benefit of Lenders in such order and manner as

Administrative Agent, in its discretion, may elect. Administrative Agent or Trustee may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Administrative Agent, any Lender or Trustee thereafter to foreclose this Security Instrument. Subject to applicable law, the rights of Administrative Agent, any Lender or Trustee under this Security Instrument shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. Subject to applicable law, no act of Administrative Agent, any Lender or Trustee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Administrative Agent, Lenders and Trustee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 8.7 RIGHT TO RELEASE ANY PORTION OF THE PROPERTY. Administrative Agent may release any portion of the Property for such consideration as Administrative Agent may require without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Security Instrument, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Administrative Agent for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as Administrative Agent may require without being accountable for so doing to any other lienholder. This Security Instrument shall continue as a lien and security interest in the remaining portion of the Property.

Section 8.8 RIGHT OF ENTRY. Upon reasonable advance written notice to Borrower, Administrative Agent and its agents, at their sole cost and expense (unless an Event of Default is then continuing), shall have the right to enter and inspect the Property at all reasonable times subject to the rights of tenants under the Leases.

Section 8.9 BANKRUPTCY. (a) Upon the occurrence and during the continuance of an Event of Default, Administrative Agent (on behalf of Lenders) shall have the right to proceed in its own name or in the name of Borrower in respect of any claim, suit, action or proceeding relating to the rejection of any Lease, including, without limitation, the right to file and prosecute, to the exclusion of Borrower, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the lessee under such Lease under the Bankruptcy Code.

(b) If there shall be filed by or against Borrower a petition under the Bankruptcy Code and Borrower, as lessor under any Lease, shall determine to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Administrative Agent not less than ten (10) days' prior notice of the date on which Borrower shall apply to the bankruptcy court for authority to reject the Lease. Administrative Agent shall have the right, but not the obligation, to serve upon Borrower within such ten-day period a notice stating that (i) Administrative Agent demands that Borrower assume and assign the Lease to Administrative Agent (on behalf of the Lenders) pursuant to Section 365 of the Bankruptcy Code and (ii) Administrative Agent covenants to cure or provide adequate assurance of future performance under the Lease. If Administrative Agent serves upon Borrower the notice described in the preceding sentence, Borrower shall not seek to reject the Lease and shall comply with the

demand provided for in clause (i) of the preceding sentence within thirty (30) days after the notice shall have been given, subject to the performance by Administrative Agent of the covenant provided for in clause (ii) of the preceding sentence.

Section 8.10 SUBROGATION. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Administrative Agent shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Administrative Agent and are merged with the lien and security interest created herein as cumulative security for the repayment of the Debt, the performance and discharge of the Other Obligations.

Article 9 – ENVIRONMENTAL HAZARDS

Section 9.1 ENVIRONMENTAL COVENANTS. Borrower has provided representations, warranties and covenants regarding environmental matters set forth in the HazMat Indemnity (as defined in the Credit Agreement) and Borrower shall comply with the aforesaid covenants regarding environmental matters.

Article 10 – WAIVERS

Section 10.1 MARSHALLING AND OTHER MATTERS. Borrower hereby waives, to the extent permitted by law, the benefit of all applicable laws now or hereafter in force regarding appraisal, valuation, stay, extension, reinstatement and redemption and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, to the fullest extent permitted by applicable law, Borrower hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Security Instrument on behalf of Borrower, and on behalf of each and every Person acquiring any interest in or title to the Property subsequent to the date of this Security Instrument and on behalf of all Persons to the extent permitted by applicable laws.

Section 10.2 WAIVER OF NOTICE. To the extent permitted under applicable law, Borrower shall not be entitled to any notices of any nature whatsoever from Lender or Trustee except with respect to matters for which this Security Instrument or the Credit Agreement specifically and expressly provides for the giving of notice by Administrative Agent, any Lender or Trustee to Borrower and except with respect to matters for which Borrower is not permitted by applicable law to waive its right to receive notice, and Borrower hereby expressly waives the right to receive any notice from Lender or Trustee with respect to any matter for which this Security Instrument does not specifically and expressly provide for the giving of notice by Administrative Agent, any Lender or Trustee to Borrower.

Section 10.3 INTENTIONALLY OMITTED.

Section 10.4 SOLE DISCRETION OF LENDER. Whenever pursuant to this Security Instrument, Administrative Agent exercises any right given to it to approve or disapprove, or any

arrangement or term is to be satisfactory to Administrative Agent, the decision of Administrative Agent to approve or disapprove or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein provided) be in the sole (but reasonable) discretion of Administrative Agent and shall be final and conclusive.

Section 10.5 WAIVER OF TRIAL BY JURY. BORROWER, LENDERS AND ADMINISTRATIVE AGENT EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER, LENDERS AND ADMINISTRATIVE AGENT, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH OF BORROWER, LENDERS AND ADMINISTRATIVE AGENT IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY BORROWER, LENDERS AND ADMINISTRATIVE AGENT.

Section 10.6 WAIVER OF FORECLOSURE DEFENSE. Borrower hereby waives any defense Borrower might assert or have by reason of Administrative Agent's failure to make any tenant or lessee of the Property a party defendant in any foreclosure proceeding or action instituted by Administrative Agent.

Article 11 – INTENTIONALLY OMITTED

Article 12 – NOTICES

Section 12.1 NOTICES. All notices or other written communications hereunder shall be delivered in accordance with the applicable terms and conditions of the Credit Agreement.

Notices to the Trustee shall be sent as follows:

First American Title Insurance Company, 920 Fifth Avenue, Suite 1250, Seattle, Washington 98104.

Article 13 – APPLICABLE LAW

Section 13.1 GOVERNING LAW. The governing law and related provisions contained in Section 9.09 of the Credit Agreement are hereby incorporated by reference as if fully set forth herein.

Section 13.2 PROVISIONS SUBJECT TO APPLICABLE LAW. All rights, powers and remedies provided in this Security Instrument may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited

to the extent necessary so that they will not render this Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Security Instrument or any application thereof shall be invalid or unenforceable, the remainder of this Security Instrument and any other application of the term shall not be affected thereby.

Article 14 – DEFINITIONS

Section 14.1 GENERAL DEFINITIONS. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Security Instrument may be used interchangeably in singular or plural form and the word “Borrower” shall mean “each Borrower and any subsequent owner or owners of the Property or any part thereof or any interest therein,” the word “Lender” shall mean “Lender and any of Lender’s successors and assigns,” the word “Note” shall mean “the Note and any other evidence of indebtedness secured by this Security Instrument,” “Trustee” shall mean “Trustee and any substitute Trustee of the estates, properties, powers, trusts and rights conferred upon Trustee pursuant to this Security Instrument, the word “Property” shall include any portion of the Property and any interest therein, and the phrases “attorneys’ fees”, “legal fees” and “counsel fees” shall include any and all attorneys’, paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Administrative Agent and Lenders in protecting its interest in the Property, the Leases and the Rents and enforcing its rights hereunder.

Article 15 – MISCELLANEOUS PROVISIONS

Section 15.1 NO ORAL CHANGE. This Security Instrument, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower, Administrative Agent, Lenders or Trustee, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 15.2 SUCCESSORS AND ASSIGNS. This Security Instrument shall be binding upon and inure to the benefit of Borrower, Administrative Agent and Lenders and each of their respective successors and assigns forever.

Section 15.3 INAPPLICABLE PROVISIONS. If any term, covenant or condition of the Credit Agreement, the Note or this Security Instrument is held to be invalid, illegal or unenforceable in any respect, the Credit Agreement, the Note and this Security Instrument shall be construed without such provision.

Section 15.4 HEADINGS, ETC. The headings and captions of various Sections of this Security Instrument are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 15.5 NUMBER AND GENDER. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 15.6 ENTIRE AGREEMENT. This Security Instrument and the other Loan Documents contain the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, are superseded by the terms of this Security Instrument and the other Loan Documents.

Section 15.7 LIMITATION ON LENDER'S RESPONSIBILITY. No provision of this Security Instrument shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Administrative Agent or Lenders, nor shall it operate to make Administrative Agent or Lenders responsible or liable for any waste committed on the Property by the tenants or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. Nothing herein contained shall be construed as constituting Administrative Agent or Lenders a "mortgagee in possession."

Section 15.8 CROSS-COLLATERALIZATION. Borrower acknowledges that the Debt is secured by this Security Instrument together with those additional Security Instruments given by Borrower and/or certain Affiliates of Borrower to Trustee, its successors and assigns, IN TRUST, with power of sale, for the benefit of Administrative Agent for the ratable benefit of Lenders, together with the other Loan Documents securing or evidencing the Debt, and encumbering the other properties listed on Schedule 1.01 of the Credit Agreement (the "**Individual Properties**"), all as more specifically set forth in the Credit Agreement. Administrative Agent or Trustee shall have the right to institute a proceeding or proceedings for the total or partial foreclosure of this Security Instrument and any or all of the other Security Instruments whether by court action, power of sale or otherwise, under any applicable provision of law, for all of the Debt or the portion of the Debt allocated to the Property in the Credit Agreement, and subject to applicable law, the lien and the security interest created by the other Security Instruments shall continue in full force and effect without loss of priority as a lien and security interest securing the payment of that portion of the Debt then due and payable but still outstanding. Borrower acknowledges and agrees that the Property and the other Individual Properties are located in one or more States and counties, and therefore Administrative Agent or Trustee shall be permitted to enforce payment of the Debt and the performance of any term, covenant or condition of the Note, this Security Instrument, the Loan Documents or the other Security Instruments and exercise any and all rights and remedies under the Note, this Security Instrument, the other Loan Documents or the other Security Instruments, or as provided by law or at equity, subject to applicable law, by one or more proceedings, whether contemporaneous, consecutive or both, to be determined by Administrative Agent, in its sole discretion, in any one or more of the States or counties in which the Property or any of the other Individual Properties are located. Except as otherwise provided by applicable law, neither the acceptance of this Security Instrument, the other Loan Documents or the other Security Instruments nor the enforcement thereof in any one State or county, whether by court action, foreclosure, power of

sale or otherwise, shall prejudice or in any way limit or preclude enforcement by court action, foreclosure, power of sale or otherwise, of the Note, this Security Instrument, the other Loan Documents, or any other Security Instruments through one or more additional proceedings in that State or county or in any other State or county. Any and all sums received by Administrative Agent under the Note, this Security Instrument, and the other Loan Documents shall be applied to the Debt in such order and priority as Administrative Agent shall determine, in accordance with the terms of the Loan Documents, without regard to the Allocated Loan Amount for the Property or any of the other Individual Properties or the appraised value of the Property or any of the other Individual Properties.

Section 15.9 EXCULPATION. The terms and provisions of Section 9.14 of the Credit Agreement are incorporated herein by reference and shall apply to the obligations of Borrower hereunder with the same force and effect as if fully set forth herein.

Article 16 – DEED OF TRUST PROVISIONS

Section 16.1 CONCERNING THE TRUSTEE. Trustee shall be under no duty to take any action hereunder except as expressly required hereunder or by law, or to perform any act which would involve Trustee in any expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to Trustee's reasonable satisfaction. Trustee, by acceptance of this Security Instrument, covenants to perform and fulfill the trusts herein created, being liable, however, only for gross negligence or willful misconduct, and hereby waives any statutory fee and agrees to accept reasonable compensation, in lieu thereof, for any services rendered by Trustee in accordance with the terms hereof. Trustee may resign at any time upon giving thirty (30) days' notice to Borrower and to Administrative Agent. Administrative Agent may remove Trustee at any time or from time to time and select a successor trustee. In the event of the death, removal, resignation, refusal to act, or inability to act of Trustee, or in its sole discretion for any reason whatsoever Administrative Agent may, without notice and without specifying any reason therefor and without applying to any court, select and appoint a successor trustee, by an instrument recorded wherever this Security Instrument is recorded and all powers, rights, duties and authority of Trustee, as aforesaid, shall thereupon become vested in such successor. Such substitute trustee shall not be required to give bond for the faithful performance of the duties of Trustee hereunder unless required by Administrative Agent. The procedure provided for in this paragraph for substitution of Trustee shall be in addition to and not in exclusion of any other provisions for substitution, by law or otherwise.

Section 16.2 TRUSTEE'S FEES. Borrower shall pay all out-of-pocket costs, fees and expenses reasonably incurred by Trustee and Trustee's agents and counsel in connection with the performance by Trustee of Trustee's duties hereunder and all such out-of-pocket costs, fees and expenses shall be secured by this Security Instrument. Notwithstanding anything to the contrary contained herein or in any other Loan Documents, Trustee hereby acknowledges and agrees that no fees or other compensation shall be payable to Trustee hereunder or otherwise in connection with the Loan or Loan Documents except in connection with (a) a sale of the Property in connection with an exercise of remedies hereunder and/or under the other Loan Documents or (b) a release hereof in accordance with the applicable terms and conditions hereof.

Section 16.3 CERTAIN RIGHTS. With the approval of Administrative Agent, Trustee shall have the right to take any and all of the following actions: (i) to select, employ, and advise with counsel (who may be, but need not be, counsel for Administrative Agent) upon any matters arising hereunder, including the preparation, execution, and interpretation of the Note, this Security Instrument or the Other Security Documents, and shall be fully protected in relying as to legal matters on the advice of counsel, (ii) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through his/her agents or attorneys, (iii) to select and employ, in and about the execution of his/her duties hereunder, suitable accountants, engineers and other experts, agents and attorneys-in-fact, either corporate or individual, not regularly in the employ of Trustee, and Trustee shall not be answerable for any act, default, negligence, or misconduct of any such accountant, engineer or other expert, agent or attorney-in-fact, if selected with reasonable care, or for any error of judgment or act done by Trustee in good faith, or be otherwise responsible or accountable under any circumstances whatsoever, except for Trustee's gross negligence, willful misconduct or bad faith, and (iv) any and all other lawful action as Administrative Agent may instruct Trustee to take to protect or enforce Administrative Agent's and Lenders' rights hereunder. Trustee shall not be personally liable in case of entry by Trustee, or anyone entering by virtue of the powers herein granted to Trustee, upon the Property for debts contracted for or liability or damages incurred in the management or operation of the Property, except for such debts, liabilities or damages caused by Trustee's gross negligence, willful misconduct or bad faith. Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting an action taken or proposed to be taken by Trustee hereunder, believed by Trustee in good faith to be genuine. Trustee shall be entitled to reimbursement for actual expenses incurred by Trustee in the performance of Trustee's duties hereunder and to reasonable compensation for such of Trustee's services hereunder as shall be rendered.

Section 16.4 RETENTION OF MONEY. All moneys received by Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other moneys (except to the extent required by applicable law) and Trustee shall be under no liability for interest on any moneys received by Trustee hereunder.

Section 16.5 PERFECTION OF APPOINTMENT. Should any deed, conveyance, or instrument of any nature be required from Borrower by any Trustee or substitute trustee to more fully and certainly vest in and confirm to Trustee or substitute trustee such estates rights, powers, and duties, then, upon request by Trustee or substitute trustee, any and all such deeds, conveyances and instruments shall be made, executed, acknowledged, and delivered and shall be caused to be recorded and/or filed by Borrower.

Section 16.6 SUCCESSION INSTRUMENTS. Any substitute trustee appointed pursuant to any of the provisions hereof shall, without any further act, deed, or conveyance, become vested with all the estates, properties, rights, powers, and trusts of its or his/her predecessor in the rights hereunder with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of Administrative Agent or of the substitute trustee, Trustee ceasing to act shall execute and deliver any instrument transferring to such substitute trustee, upon the trusts herein

expressed, all the estates, properties, rights, powers, and trusts of Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such Trustee to the substitute trustee so appointed in Trustee's place.

Article 17 – INTENTIONALLY OMITTED

[NO FURTHER TEXT ON THIS PAGE]

Article 18 – STATE-SPECIFIC PROVISIONS

Section 18.1 INCONSISTENCIES. In the event of any inconsistencies between the terms and conditions of this Article 18 and the other provisions of this Security Instrument, the terms and conditions of this Article 18 shall control and be binding.

Section 18.2 PROPERTY MORTGAGED. The words “IN TRUST, WITH POWER OF SALE” are hereby added to the introductory paragraph of Section 1.1 hereof entitled “Property Mortgaged” immediately before the words “the following property”.

Section 18.3 FIXTURES AND PERSONAL PROPERTY. Clause (g) of Section 1.1 hereof entitled “Fixtures and Personal Property” is hereby amended by adding the words “or in which Borrower is organized” immediately before the words “(the Uniform Commercial Code)”.

Section 18.4 PROCEEDS. Clause (r) of Section 1.1 hereof entitled “Other Rights” is hereby amended by adding the words “and the proceeds thereof” at the end thereof.

Section 18.5 ASSIGNMENT OF RENTS. Section 1.2 hereof entitled “Assignment of Rents” is hereby amended by adding the following sentence to the end thereof: “Notwithstanding the foregoing, this assignment of Leases and Rents is intended as security and is specific, perfected and choate upon recording of this Security Instrument, as provided in RCW 7.28.230(3).”

Section 18.6 SECURITY AGREEMENT. Section 1.3 of this Security Instrument entitled “Security Agreement” is hereby amended by inserting the following sentences immediately following the first sentence of Section 1.3:

“Borrower is simultaneously herewith delivering Uniform Commercial Code-1 and Uniform Commercial Code-1 Ad Financing Statements which are intended to be filed in the Office of the Secretary of State of Delaware and recorded in the Office of the Recorder of the County in which the Property is located.”

“For purposes of Article 9 of the Uniform Commercial Code (RCW 62A.9A), this Security Instrument constitutes a Security Agreement with the Borrower being the debtor and Administrative Agent being the secured party. This Security Instrument also constitutes a Financing Statement filed as a fixture filing pursuant to Article 9 of the Uniform Commercial Code, RCW 62A.9A.”

Section 18.7 DEBT. The following phrase is hereby inserted immediately following the words “securing the Debt” in Section 2.1 of this Security Instrument entitled “Debt”:

“and any and all future advances under the Note.”

Section 18.8 ACCELERATION/REMEDIES. Administrative Agent shall give notice to Borrower prior to acceleration following Borrower’s breach of any covenant or agreement in this Security Instrument. The notice shall specify: (a) the default; (b) the action required to cure the

default; (c) a date, not less than thirty (30) days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the non-existence of a default or any other defense of Borrower to acceleration and sale. If the default is not cured on or before the date specified in the notice, Administrative Agent or any Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may invoke the power of sale and any other remedies permitted by applicable law. Administrative Agent and any Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 18.8, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

Section 18.9 POWER OF SALE. (a) In addition to all other remedies of Lender and Trustee, upon the occurrence of any Event of Default, Administrative Agent (for and on behalf of the Lenders) and any Lender shall have the right to have the Property sold by the Trustee pursuant to the provisions of the laws of the State of Washington then in effect with respect to foreclosure pursuant to Trustee's sale under deeds of trust or, at Administrative Agent's or any Lender's option, to have this Security Instrument foreclosed in judicial proceedings as a mortgage, and Administrative Agent, any Lender and Trustee shall have the right to exercise all other remedies provided for herein or by law, including the Uniform Commercial Code. All rights and remedies of Administrative Agent, any Lender and Trustee are cumulative. Administrative Agent, any Lender and Trustee may exercise rights and remedies at such times and in such order as any Lender may elect. In the exercise of rights and remedies, Property, whether real or personal, and any portions thereof, may be sold, whether at Trustee's sale or execution sale after judicial foreclosure or in any other manner permitted by law, in one parcel or several parcels as any Lender may elect. If this Security Instrument is foreclosed as a mortgage in judicial proceedings, any judgment recovered, including a deficiency judgment if any Lender shall be entitled to a deficiency, shall bear at the rate applicable to sums secured hereby after an Event of Default, not to exceed, however, the highest rate permitted by applicable law. Notwithstanding the foregoing, Administrative Agent and the Lenders agrees not to foreclose on any fixtures, equipment or Personal Property prior to the expiration of the reinstatement period as provided in RCW 61.24.090.

(b) If Administrative Agent or any Lender invokes the power of sale, Administrative Agent or such Lender, as applicable, shall send written notice as prescribed by applicable law to Borrower and to the other persons prescribed by applicable law of the occurrence of an event of default and of such Lender's election to cause the Property to be sold. Trustee shall give notice of sale by public advertisement as Trustee deems proper and as prescribed by statute to protect the interests of Borrower and the Lenders. After the time required by applicable law, Trustee, without demand on Borrower, shall sell the Property at public auction to the highest bidder at the time and place and under the terms designated in the notice of sale in one or more parcels and in any order Trustee determines. Trustee may postpone sale of any parcel of the Property by public announcement at the time and place of any previously scheduled sale. Administrative Agent, any Lender or their respective designee may purchase the Property at any sale.

(c) Trustee shall deliver to the purchaser a Trustee's deed conveying the Property without any covenant or warranty, expressed or implied. The recitals in the Trustee's deed shall be prima facie evidence of the truth of the statements made therein. Trustee shall apply the proceeds of the sale in the following order: (a) to all expenses of the sale, including, but not limited to, reasonable Trustee's fees and reasonable attorneys' fees, but such fees shall be limited to an amount that a judge would set as a reasonable fee in an uncontested mortgage foreclosure action; (b) to all sums secured by this Security Instrument; and (c) any excess to the clerk of the superior court of the county in which the Property is located as provided in RCW 61.24.080.

Section 18.10 NO AGRICULTURAL PURPOSES. Borrower represents and warrants to Administrative Agent that the Property is not used principally for agricultural purposes.

Section 18.11 USE OF PROCEEDS. The proceeds of this Loan will be used primarily for commercial, investment or business purposes.

Section 18.12 ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

[NO FURTHER TEXT ON THIS PAGE]

IN WITNESS WHEREOF, this Security Instrument has been executed by the undersigned as of the day and year first above written.

BORROWER:

TF BURLINGTON WA LLC,
a Delaware limited liability company

By: 

Name: D. Scott Carr

Title: President, Real Estate

State of Illinois)
) SS.
County of Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that D. Scott Carr personally known to me to be the President, Real Estate of TF BURLINGTON WA LLC, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President, Real Estate, he signed and delivered the said instrument, pursuant to authority given by the limited liability company, as his free and voluntary act, and as the free and voluntary act and deed of said limited liability company, for the uses and purposes therein set forth.

Given under my hand and official seal, this 28th day of October 2021.



Notary Public

My commission expires: 5/10/25



EXHIBIT A

(Description of Land)

PARCEL A:

TRACT A, PLAT OF K-MART COMMERCIAL PARK, AS PER PLAT RECORDED IN VOLUME 14 OF PLATS, PAGES 126 AND 127, RECORDS OF SKAGIT COUNTY, WASHINGTON;
EXCEPT THAT PORTION THEREOF CONVEYED TO THE CITY OF BURLINGTON FOR PEASE ROAD BY DEED RECORDED FEBRUARY 18, 1994 UNDER AUDITOR'S FILE NO. 9402180068, RECORDS OF SKAGIT COUNTY, WASHINGTON.

SITUATE IN SKAGIT COUNTY, WASHINGTON.

PARCEL B:

TRACT B, PLAT OF K-MART COMMERCIAL PARK AS PER PLAT RECORDED IN VOLUME 14 OF PLATS, PAGES 126 AND 127, RECORDS OF SKAGIT COUNTY, WASHINGTON. SITUATE IN SKAGIT COUNTY, WASHINGTON.

PARCEL C:

THE NORTH 130 FEET OF THE FOLLOWING DESCRIBED TRACT:
THE SOUTH 400 FEET OF THE EAST 200 FEET OF THE WEST 500 FEET OF THAT PORTION OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 34 NORTH, RANGE 4 EAST OF THE WILLAMETTE MERIDIAN, LYING EAST OF THE EAST MARGIN OF OLD STATE HIGHWAY 99, NOW DESIGNATED AS BURLINGTON BOULEVARD. (AS SAID ROAD EXISTED PRIOR TO AUGUST 25, 1996.) SITUATE IN SKAGIT COUNTY, WASHINGTON.

PARCEL D:

THAT PORTION OF LOT 4 OF SHORT PLAT BU3-88 WITHIN THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER, AS RECORDED IN BOOK 8 OF SHORT PLATS AT PAGE 80, RECORDS OF SKAGIT COUNTY, WASHINGTON, LYING WEST OF THE EAST LINE OF LOTS 2 AND 3 OF SAID SHORT PLAT BU3-88 AND SAID EAST LINES PRODUCES.
SITUATE IN SKAGIT COUNTY., WASHINGTON.

PARCEL E:

THOSE EASEMENTS CREATED BY THE INSTRUMENT, UPON AND SUBJECT TO ALL OF THE PROVISIONS THEREIN CONTAINED, DATED 28 APRIL 1989, RECORDED ON 4 MAY 1989, UNDER RECORDING NUMBER 8905040020, AND AS AMENDED BY THE INSTRUMENT DATED 10 FEBRUARY 1994, RECORDED ON 18 FEBRUARY 1994, UNDER RECORDING NUMBER 9402180070, RECORDS OF SKAGIT COUNTY, WASHINGTON, EXCEPT THOSE PORTIONS LYING WITHIN PARCELS A THROUGH D, ABOVE.