

PREPARED BY AND WHEN
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**LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FILING,
ASSIGNMENT OF LEASES AND RENTS AND FINANCING STATEMENT**

Z11716-LT

GRANTOR:
TEAM CORPORATION, a Washington corporation

GRANTEE/BENEFICIARY:
MIZZEN CAPITAL, LP, a Delaware limited partnership, in its capacity as Administrative
Agent

GRANTEE/TRUSTEE:
LAND TITLE AND ESCROW COMPANY, a Washington corporation

ABBREVIATED LEGAL DESCRIPTION:
Lot 25, Amend. Skagit Regional Airport BSP, Phase 1

TAX PARCEL NUMBER(S):
8012-000-025-0000/P115585 and 8012-000-025-0100/P129675

STREET ADDRESS(ES) (FOR INFORMATIONAL PURPOSES ONLY):
11591 Watertank Road, Burlington, WA 98233

WASHINGTON (SKAGIT COUNTY)

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

A POWER OF SALE HAS BEEN GRANTED IN THIS DEED OF TRUST. A POWER OF SALE MAY ALLOW THE BENEFICIARY, UPON THE OCCURRENCE OF A DEFAULT BY THE GRANTOR UNDER THIS DEED OF TRUST, TO CAUSE THE DEED OF TRUST PROPERTY TO BE SOLD BY THE TRUSTEE PURSUANT TO A NON-JUDICIAL FORECLOSURE SALE WITHOUT THE COMMENCEMENT OF ANY JUDICIAL ACTION OR OTHER COURT PROCEEDING FOR THE FORECLOSURE OF THIS DEED OF TRUST.

THIS LEASEHOLD DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FILING, ASSIGNMENT OF LEASES AND RENTS AND FINANCING STATEMENT (hereinafter referred to as this "Deed of Trust"), is made as of **November 22, 2023**, by **TEAM CORPORATION**, a Washington corporation having an address at 11591 Water Tank Road, Burlington, WA 98233 (together with its successors and assigns, "**Grantor**") to **LAND TITLE AND ESCROW COMPANY**, a Washington corporation having an address at 111 East George Hopper Road, PO Box 445, Burlington, WA 98233 (together with its successors and substitutes, "**Trustee**") for the benefit of **MIZZEN CAPITAL, LP**, a Delaware limited partnership having an address at One Stamford Plaza, 263 Tresser Blvd, 9th Floor, Stamford, CT 06901, in its capacity as administrative agent for itself and on behalf of the Secured Creditors (as defined herein) (in such capacity, together with its successors and assigns, "**Beneficiary**"). Beneficiary shall hold the interests and exercise the rights granted hereunder in trust as for itself and on behalf of the Secured Creditors, as more fully provided in the Loan Agreement (defined below). This Deed of Trust secures the Obligations (as defined below in **Section 1.1**), and any modifications, extensions and renewals of the Obligations, it being the intention of the parties hereto that this Deed of Trust shall be deemed an open and continuing lien instrument to secure payment by Grantor of all Obligations contemplated by the Loan Documents that are now existing or hereafter arising regardless of the extinguishment and payment of any one or more of the Obligations owed to the Secured Creditors. This Deed of Trust secures future advances made by the Secured Creditors to the Grantor or to any other Loan Party under the Loan Agreement, and the other Loan Documents and hereunder, and each future advance, whether or not evidenced by a note, and each note or other instrument evidencing the same, shall be secured hereby. All provisions of this Deed of Trust shall apply to each future advance as well as to all other Obligations secured hereby, whether or not evidenced by a note, and all such advances and other Obligations, and any modifications, extensions and renewals of the Obligations shall have the same lien priority as if made on the date this Deed of Trust is recorded.

This Deed of Trust secures the Obligations, and any modifications, extensions and renewals of the Obligations, which shall be construed in all cases to consist of, among other obligations, the covenants of the Grantor or any other Loan Party set forth in, and the amounts advanced to or for the account, use or benefit of the Grantor or any other Loan Party from time to time pursuant to the Loan Documents (as defined below), the aggregate amount of the Obligations (as defined below) actually outstanding at any particular time being subject to fluctuations up or down due to further advances of loan proceeds and/or future repayments of such loan proceeds from time to time over the term of such Obligations and/or changes in the rate of interest charged in respect of Obligations bearing interest at a floating rate (all of which advances and repayments are hereby declared to be contemplated by the Grantor and the Beneficiary at the time this Deed of Trust is executed).

ARTICLE I

DEFINITIONS

1.1 Definitions: Capitalized terms used herein but not otherwise defined herein shall have the same respective meanings given to them in the Loan Agreement. Additionally, as used herein, the following terms shall have the following meanings:

“Assignment”: The assignment and delivery to Beneficiary as security for the payment and performance of the Obligations of all of the rights, titles, interests and estates of Grantor in and to all of the following: (a) the Leases, (b) the Rents, and (c) the Fixtures.

“Bankruptcy Code”: The Bankruptcy Code, 11 U.S.C. § 101, et seq., as the same may be amended from time to time.

“Borrowers”: Grantor, Holdings, IM Analytics Holdings, LLC, a Delaware limited liability company, and each of the other “Borrowers” (as defined in the Loan Agreement) from time to time parties to the Loan Agreement.

“Claim”: Any liability, suit, action, claim, demand, loss, expense, penalty, fine, judgment or other cost of any kind or nature whatsoever, including fees, costs and expenses of attorneys, consultants, contractors and experts.

“Deed of Trust Property”: The Land, Improvements, Fixtures, Leases and Rents together with the following property, whether tangible or intangible and whether now owned or hereafter acquired, in which Grantor now has or hereafter acquires an interest:

(i) (a) all estates, title interests, title reversion rights, remainders, increases, issues, profits, rights of way or uses, additions, accretions, servitudes, strips, gaps, gores, liberties, privileges, water rights, water courses, alleys, passages, ways, vaults, licenses, tenements, hereditaments, appurtenances, easements, rights-of-way, rights of ingress or egress, utility use, parking rights, timber, crops, mineral interests, air rights, appendages, division rights and other rights, now or hereafter owned by Grantor and belonging or appertaining to the Land or Improvements; (b) all Claims whatsoever of Grantor with respect to the Land or Improvements, either in law or in equity, in possession or in expectancy; and (c) all estate, right, title and interest of Grantor in and to all streets, roads, inclines, tunnels, culverts, opened or proposed, public places, now or hereafter adjoining or appertaining to the Land or Improvements (all of the foregoing, in each case including those arising under and by virtue of the Ground Lease, together with all replacements and additions thereto, and together with the Land and the Improvements, collectively, the **“Real Property”**);

(ii) the Ground Lease, the Leasehold Estate, and all assignments, modifications, extensions and renewals of the Ground Lease and all credits, deposits, options, privileges and rights of Grantor as tenant under the Ground Lease, including, but not limited to, rights of first refusal, if any, and the right, if any, to renew or extend the Ground Lease for a succeeding term or terms, and also including all the right, title, claim or demand whatsoever of Grantor either in law or in equity, in possession or expectancy, of, in and to Grantor’s right, as tenant under the Ground Lease, to elect under Section 365(h)(1) of the Bankruptcy Code to terminate or treat the Ground Lease as terminated in the event (a) of the bankruptcy, reorganization or insolvency of the Ground Lessor,

and (b) the rejection of the Ground Lease by Ground Lessor, as debtor in possession, or by a trustee for Ground Lessor, pursuant to Section 365 of the Bankruptcy Code;

(iii) all betterments, additions, alterations, appurtenances, substitutions, replacements and revisions thereof and thereto and all reversions and remainders therein;

(iv) all of Grantor's right, title and interest in and to any awards, remuneration, proceeds, settlements or compensation hereafter to be made by any insurer, Governmental Authority or other person or entity as a result of the damage, destruction, loss, theft, taking by eminent domain or other involuntary conversion of whatever nature (whether occurring prior to or after the date of this Deed of Trust) of any of the Land, Improvements, Fixtures, Leases, or Rents, including those for any condemnation and vacation of, or change of grade in, any streets affecting the Land or the Improvements and including amounts paid in lieu of eminent domain or other taking;

(v) (a) all agreements related to the Land, Improvements or Fixtures (provided all of such agreements shall be subordinate to this Deed of Trust, and Beneficiary shall have no responsibility for the performance of Grantor's obligations thereunder) including but not limited to, all contracts, contract rights (including without limitation the right to payment thereunder), agreements and documents of any nature, in each case relating to the design, construction and/or maintenance of the Improvements including, without limitations, all guaranties and warranties related thereto, and all work product created pursuant to any of the foregoing; and (b) all sewer and water taps, appurtenant water stock or water rights whether riparian, appropriative, or otherwise and whether or not appurtenant (including, without limitation, any surface water management permits, any consumption use permits or general permits), allocations and agreements for utilities, bonds, letters of credit, permits, certificates, licenses, guaranties, warranties, causes of action, judgments, Claims, profits, security deposits, utility deposits, and all rebates or refunds of fees, taxes, assessments, charges or deposits paid to any Governmental Authority, in each case related to the Land, Improvements, Fixtures or other Real Property;

(vi) all of Grantor's right, title and interest in and to any and all funds deposited by or on behalf of Grantor with any city, county, public body or agency, irrigation, sewer or water district or company, gas or electric company, telephone company, and any other body or agency for or in connection with the installation or service, or to secure the installation or service, of any utility pertaining to the Land, Improvements, Fixtures and all betterments, additions, alterations, appurtenances, substitutions, replacements and revisions thereof and thereto;

(vii) all of Grantor's right, title and interest in and to (a) all oil, gas and other minerals located in, on or under the Land, (b) all oil, gas or mineral leases, royalty agreements and other contracts that have been or in the future are entered into with respect to the Land or with respect to any oil, gas or other minerals located in, on or under the Land ("Mineral Leases"), and (c) all rents, profits, royalties and income at any time arising from the Mineral Leases or from the sale of oil, gas or other minerals located in, on or under the Land;

(viii) all insurance claims under and the proceeds of any and all insurance policies covering the Real Property or any part thereof and all returned and unearned premiums with respect to any insurance relating to such Real Property;

(ix) all of the rents, royalties, issues, profits, revenues, earnings, income and other benefits derived from the Real Property, or from the renting, leasing or bailment of the Real Property, including all such amounts paid under or arising from any of the Leases and all fees, charges, accounts or other payments for the use or occupancy of rooms or other public facilities within the Real Property (collectively, the "Rents"); and

(x) all proceeds and products of the foregoing. As used in this Deed of Trust, the term "Deed of Trust Property", including each component thereof, shall be expressly interpreted as meaning all or, where the context permits or requires, any portion of the above, and all or, where the context permits or requires, any interest of Grantor therein.

"Encumbrance": Any Lien, easement, right of way, roadway (public or private), condition, covenant or restriction, Lease or other matter of any nature that would affect title to the Deed of Trust Property.

"Expenses": All out-of-pocket costs and expenses (including reasonable fees and expenses of counsel and court costs) incurred and all advances made, by the Beneficiary and/or Trustee, as applicable, or any agent of the Beneficiary and/or Trustee pursuant to the provisions of, or in furtherance of the Beneficiary's and/or Trustee's duties or rights under, the Loan Documents, including, without limitation, expenses of retaking, holding, preparing for sale or lease, selling and/or leasing the Deed of Trust Property, but excluding any of the same specifically described in the Loan Documents as being the responsibility of the Beneficiary.

"Financing Statement": As defined in Section 8.5 below.

"Fixtures": Fixtures (as defined in the UCC) now owned or the ownership of which is hereafter acquired by Grantor.

"Ground Lease": That certain Land Lease Agreement, dated as of October 1, 2014, by and between Ground Lessor, as lessor, and Grantor, as lessee, a memorandum of which was recorded October 28, 2014, under Skagit County Auditor's File No. 201410280086, records of Skagit County, Washington, as the same may be amended, restated, supplemented, or otherwise modified from time to time.

"Ground Lessor": The Port of Skagit County, a Washington municipal corporation.

"Holdings": Noise & Vibration Technologies, LLC, a Delaware limited liability company.

"Impositions": All real estate and personal property taxes; water, gas, sewer, electricity and other utility rates and charges; charges for any easement, license or agreement maintained for the benefit of the Deed of Trust Property; and all other taxes, standby fees, levies, claims, charges and assessments, general and special, ordinary and extraordinary, foreseen and unforeseen of any kind and nature whatsoever which at any time prior to or after the execution hereof may be assessed, levied or imposed upon the Deed of Trust Property or the Rents or the ownership, use, occupancy or enjoyment thereof, and any interest, costs or penalties with respect to any of the foregoing.

"Improvements": Any and all buildings, parking structures, utility sheds, workrooms, air conditioning towers, open parking areas, and other structures or improvements, and any and all additions, alterations, betterments or appurtenances thereto, now or at any time hereafter situated, placed or constructed upon the Land or any part thereof.

“Land”: The real estate owned or leased, as applicable, by the Grantor and described in Exhibit A, attached hereto and incorporated herein by reference, and all rights, titles and interests appurtenant thereto.

“Leasehold Estate”: The leasehold estate created by the Ground Lease.

“Leases”: Any and all leases, subleases, licenses, concessions or other agreements (written or verbal, now or hereafter in effect) through which Grantor directly or indirectly grants a possessory interest in and to, or the right to occupy and use, all or any portion of the Real Property (as defined herein) that constitutes real property together with any renewals or extensions thereof and all leases, subleases, licenses, options therefor, amendments thereto and renewals, modifications and guaranties thereof concessions or other agreements in substitution therefor, including any cash or security deposited under the Leases to secure performance by the tenants of their obligations under the Leases, whether such cash or security is to be held until the expiration of the terms of the Leases or applied to one or more of the installments of rents coming due thereunder. For the avoidance of doubt, the term “Lease” shall not include the Ground Lease.

“Lenders”: At any time, the financial institutions that are then parties to the Loan Agreement as “Lenders” (as defined therein).

“Loan Agreement”: That certain Loan Agreement, dated as of November 22, 2023, by and among the Borrowers, the Lenders, and the Beneficiary.

“Loan Documents”: As defined in the Loan Agreement, which includes without limitation, the Loan Agreement, the Notes, and any Guaranty.

“Maturity Date”: November 22, 2028, subject to acceleration as described herein or in the Loan Agreement.

“Note”: Each of the “Notes”, as defined in the Loan Agreement, and any notes issued in replacement, substitution, renewal or refinancing of the same.

“Obligations”: (a) All of the “Obligations” (as defined in the Loan Agreement) including, without limitation, prompt payment in full by Grantor and the other Borrowers of the Obligations, and any applicable modifications, extensions and renewals thereof, as and when due pursuant to the Loan Agreement or any other Loan Document; (b) payment of any and all additional advances made by Beneficiary to protect or preserve the Deed of Trust Property (as defined above) or the security title, security interest and lien hereof on the Deed of Trust Property or to repair or maintain the Deed of Trust Property, or to complete improvements on the Deed of Trust Property (whether or not Grantor remains the owner of, or otherwise has any interest in, the Deed of Trust Property at the time of such advances and regardless of whether such advances are made by a successive owner and holder of the Obligations and this Deed of Trust) in accordance with the provisions hereof, (c) payment of all taxes, assessments, insurance premiums or other costs and expenses as hereinafter provided and all expenses incident to effecting the collection, performance and/or satisfaction of the Obligations secured hereby and the foreclosure hereof by action in court or by exercise of the power of sale herein contained, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising and including interest and fees that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding; (d) payment of all future advances constituting Obligations made pursuant to Section 2.3 below; and (e) prompt performance of each agreement of Grantor contained herein.

“Parcel”: A single parcel of real property identified as a unit in Exhibit A, attached hereto and incorporated herein by reference. For purposes of legal description and real property title records, a Parcel may be comprised of more than one lot.

“Real Property”: As defined in the definition of “Deed of Trust Property” above.

“Rents”: All of the rents, revenues, income, proceeds, profits, security and other types of deposits, and other benefits paid or payable and to become due or payable to Grantor by parties to the Leases for using, leasing, licensing, possessing, operating from, residing in, selling or otherwise enjoying any portion or portions of the Deed of Trust Property.

“Secured Creditors”: Collectively, Beneficiary, the Lenders, and each of their successors or assigns, collectively.

“UCC”: The Uniform Commercial Code as adopted in the State of Washington.

ARTICLE II

GRANT

2.1 Grant: NOW THEREFORE, for and in consideration of Ten Dollars (\$10.00), and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by Grantor, and to secure the Grantor’s full and faithful performance and satisfaction of the Obligations, Grantor, intending to be legally bound hereby, has GIVEN, ALIENATED, REMISED, GRANTED, BARGAINED, SOLD, RELEASED, CONVEYED, ASSIGNED, TRANSFERRED, WARRANTED, AND SET OVER, and by these presents does GIVE, ALIENATE, REMISE, GRANT, BARGAIN, SELL, RELEASE, CONVEY, ASSIGN, TRANSFER, WARRANT, SET OVER AND PLEDGE unto Trustee, its successors and its substitutes forever, in trust, for the benefit of Beneficiary, with POWER OF SALE and right to entry for the benefit of Beneficiary, all of Grantor’s right, title and interest in, to and under the Deed of Trust Property, TO HAVE AND TO HOLD the Deed of Trust Property and (except as otherwise set forth herein) all parts, rights, members and appurtenances thereof unto the Trustee and its successors and substitutes forever; and Grantor hereby assigns to Beneficiary the Leases and Rents for the purposes and upon the terms and conditions herein set forth; and Grantor does hereby bind itself, its successors and assigns to FOREVER WARRANT AND DEFEND the title to the Deed of Trust Property and every part thereof, subject only to Permitted Liens, unto Trustee against every person whomsoever lawfully claiming or to claim the same or any part thereof.

2.2 Defeasance:

(a) If all of the Obligations shall have been paid, performed and discharged in full, then the liens, security interests, estates and rights granted by this Deed of Trust shall terminate; whereupon, the Beneficiary promptly shall execute such documents in recordable form as may be necessary to release the Deed of Trust Property, or that portion thereof then held hereunder, from the lien of and security interests created or purported to be created by this Deed of Trust.

(b) To the extent permitted by applicable Laws, any release delivered hereunder may describe the grantee as “the person or persons legally entitled thereto.” Beneficiary shall not have any duty to determine the rights of persons claiming to be rightful beneficiary of any release. Each lien release with respect to the Deed of Trust Property or portions thereof shall also operate as a

reassignment of all future rents, issues and profits appertaining to the Parcel(s) or portions thereof covered by such lien release to the person or persons legally entitled thereto, unless the release expressly provides otherwise.

2.3 Loan Agreement; Future Advances:

(a) The Loan Agreement contemplates the making of certain Loans in an initial principal amount of \$27,500,000 in the aggregate, which such Loans constitute part of the Obligations and in connection therewith there may be repayments and readvances of principal by or to any Borrower from time to time. This Deed of Trust shall secure any and all Obligations created by advances and other credit extensions (however evidenced, whether or not obligatory and including those made on a revolving basis) made by the Beneficiary or Lenders to any Borrower pursuant to the Loan Documents within twenty (20) years from the date hereof to the same extent as if such advances were made on the date of execution hereof, although there may be none made on such date and although there may be no indebtedness outstanding at the time any such advance is made.

(b) It is expressly agreed that the outstanding principal balance of the Obligations may, from time to time, be increased or decreased or reduced to a zero principal balance without such repayment operating to extinguish and release the lien, security titles and security interests securing the Obligations created by this Deed of Trust. This Deed of Trust shall remain in full force and effect as to any subsequent future advances made after the zero principal balance of the Obligations without loss of priority until all of the Obligations are paid in full and fully performed and satisfied and the Loan Agreement and all other agreements between the Grantor and the Secured Creditors have been terminated. Grantor waives, to the extent permitted by applicable Laws, the operation of any applicable statute, law or regulation having a contrary effect.

ARTICLE III

WARRANTIES AND REPRESENTATIONS

For the consideration aforesaid and to protect the security of this Deed of Trust, Grantor hereby unconditionally warrants and represents to Beneficiary as follows:

3.1 Title to Deed of Trust Property and Lien of this Instrument: Grantor has lawful, good, and marketable title in the Leasehold Estate in the Land, Improvements and Fixtures and good title to the Leases, in all cases free and clear of any Liens and claims of Liens except Permitted Liens. This Deed of Trust constitutes a valid lien on the Grantor's leasehold interests in the Land, the Improvements and the Fixtures, and a valid security agreement which creates a valid security interest in and to, and a valid assignment of, the Fixtures, Leases and Rents, all in accordance with the terms hereof, in each case subject only to Permitted Liens.

3.2 Ground Lease:

(a) Grantor represents and warrants that (i) Grantor is the lessee under the Ground Lease, (ii) Grantor is the owner of a valid and subsisting interest in the Land as lessee under the Ground Lease, (iii) the Ground Lease is in full force and effect, (iv) before and after giving effect to this Deed of Trust, there are no defaults under the Ground Lease, and no event has occurred which after notice or passage of time or both will result in such a default, (v) Grantor's interest in

the Ground Lease is subject to no lien, charge, or encumbrance of any kind, and is prior to all liens, charges, and encumbrances whatsoever on the fee interest of Ground Lessor, except Permitted Liens, and (vi) Grantor has full power and lawful authority to encumber the Property in the form and manner herein done.

(b) Until the satisfaction of the conditions set forth in the Loan Agreement for the release of this Deed of Trust, this Deed of Trust is and will remain a valid and enforceable lien on the leasehold estate in the Real Property created by the Ground Lease and, subject only to the exceptions referred to above, Grantor will preserve the Leasehold Estate, and will forever warrant and defend the validity and priority of the lien hereof against the claims of all persons and parties whomever.

3.3 Powers of Termination and Rights of Reverter: With respect to any fee-owned Parcel of Deed of Trust Property subject to a right of reverter or power of termination, no event has occurred or is threatened, or is likely to occur by virtue of the payment or performance by Grantor of any of the Obligations which would enable the beneficiary of such right or power to cause such reversion or termination.

3.4 Wetlands: Except as described in any environmental site assessment delivered by or on behalf of Grantor or any other Borrower to Beneficiary prior to or on the date hereof, there are no material wetlands, tidelands or swamp and overflow lands on the Deed of Trust Property.

3.5 Property Condition: Except as otherwise specifically disclosed to the Beneficiary in writing prior to the date hereof, (a) the Land is not part of a larger tract of land owned by Grantor, any other Borrower or any other Person, is not otherwise included under any unity of title or similar covenant with other land not owned by Grantor, and constitutes a separate tax lot or lots with a separate tax assessment or assessments for the Land and Improvements, independent of those for any other property or improvements; (b) the Deed of Trust Property complies with all applicable Laws, including all subdivision and platting requirements, without reliance on any adjoining or neighboring property, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; (c) the Land and Improvements comply with all applicable Laws regarding access and facilities for handicapped or disabled persons, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; (d) Grantor has not directly or indirectly conveyed, assigned or otherwise disposed of or transferred (or agreed to do so) any material interest in the Deed of Trust Property, including those arising under any zoning or property use ordinance or other applicable Laws; (e) all utility services necessary for the use of the Deed of Trust Property and the operation thereof for their intended purpose are satisfactory for the current use of the Deed of Trust Property; (f) except as otherwise provided for in the Loan Documents, the Grantor has made no material contract or arrangement of any kind the performance of which by the other party thereto would give rise to a lien on the Deed of Trust Property; (g) the current and anticipated use of the Deed of Trust Property complies in all material respects with all applicable zoning ordinances, regulations and restrictive covenants affecting the Deed of Trust Property without the existence of any variance, non-complying use, nonconforming use or other special exception, all use restrictions of any Governmental Authority having jurisdiction have been satisfied, and no material violation of any applicable Law or regulation exists with respect thereto, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect. Grantor has received no notice or claim and has no knowledge that the Deed of Trust Property, or any use, activity, operation or maintenance thereof or thereon, is not in compliance in all material respects with any Law, except where the failure to so comply could not reasonably be expected to have a Material Adverse Effect.

ARTICLE IV

AFFIRMATIVE COVENANTS

Grantor hereby unconditionally covenants and agrees with Beneficiary as follows:

4.1 Payment and Performance: Grantor will satisfy and perform the Obligations, including the payment of any sums required thereby, in the manner required under this Deed of Trust, the Loan Agreement, and any other Loan Documents, as applicable.

4.2 Compliance with applicable Laws:

(a) Grantor will promptly and faithfully comply with, conform to and obey all applicable Laws whether or not the same shall necessitate structural changes in or improvements to, or interfere with the use or enjoyment of, the Deed of Trust Property, except where the failure to so comply, conform or obey could not reasonably be expected to have a Material Adverse Effect; and provided however, Grantor shall have the right in good faith to contest any such applicable Law only so long as (i) the Deed of Trust Property affected thereby shall be in no danger of being sold, forfeited or lost pursuant to such contest and (ii) adequate reserves have been set aside by Grantor, in accordance with GAAP, to pay the cost necessary to comply with such applicable Law in the event Grantor fails to prevail in such contest. Grantor will procure and continuously maintain in full force and effect all material permits, licenses and other authorizations required for construction of any improvements, for any permitted use of the Deed of Trust Property or any part thereof then being made and for the lawful and proper installation, operation and maintenance of the Deed of Trust Property, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect. Grantor will not maintain any nuisance on the Deed of Trust Property.

(b) Beneficiary and any other person or entity designated by Beneficiary, including but not limited to any receiver, any representative of a Governmental Authority, and any environmental consultant, shall have the right, but not the obligation, to enter upon any of the Deed of Trust Property (i) during normal business hours upon reasonable prior written notice to Grantor, or (ii) at any time without notice when an Event of Default exists or in the event of an emergency (including without limitation in connection with any securitization, participation or transfer of any of the Loan Documents or in connection with the exercise of any remedies set forth in this Deed of Trust or the other Loan Documents) to assess any and all aspects of the environmental condition of any of the Deed of Trust Property and its use, including but not limited to conducting any environmental assessment or audit (the scope of which shall be determined in Beneficiary's sole and absolute discretion) and taking samples of soil, groundwater or other water, air, or building materials, and conducting other invasive testing. Grantor shall cooperate with and provide access to Beneficiary and any such person or entity designated by Beneficiary. Any such assessment and investigation shall be at Grantor's sole cost and expense.

4.3 Lien Status: Grantor will forever warrant and defend the title to the Deed of Trust Property against all lawful claims whatsoever. Grantor will defend and protect the lien, security title and security interest status of this Deed of Trust subject only to Permitted Liens. If Grantor shall fail to satisfy its obligations under this Section 4.3, Beneficiary shall have the rights granted by Section 11.7 hereof to take such actions as Beneficiary deems necessary to defend and protect the lien, security title and security interest status of this Deed of Trust, subject as aforesaid. Grantor shall reimburse Beneficiary for any losses

or Expenses reasonably incurred by Beneficiary if an interest in the Deed of Trust Property, other than as permitted hereunder, is claimed by others.

4.4 Payment of Impositions and Other Amounts:

(a) Grantor will duly pay and discharge, or cause to be paid and discharged, the Impositions before the earlier of (i) the day any fine, penalty, interest or cost may be added thereto or imposed thereon or (ii) the day any Lien may be filed for the non-payment thereof; provided, however, that (A) Grantor may, if permitted by applicable Laws and if such installment payment would not result in the imposition of any fine, penalty or cost on the remaining amount then due, pay the Impositions in installments whether or not interest shall accrue on the unpaid balance of such Impositions, and (B) unless an Event of Default, or any monetary Default, has occurred and is continuing, Grantor shall not be required to pay and discharge or to cause to be paid and discharged any such Impositions so long as (1) the validity or amount thereof shall be contested diligently and in good faith by appropriate proceedings, (2) the Deed of Trust Property shall then be in no danger of being sold, forfeited or lost pursuant to such contest, and (3) adequate reserves have been set aside by Grantor to pay the Impositions, and any fine, penalty, interest or cost that may be added thereto or imposed thereon, in accordance with GAAP, consistently applied by Grantor in connection therewith.

(b) Notwithstanding the foregoing Section 4.4(a), Grantor (i) shall pay all lawful claims and demands of mechanics, materialmen, laborers and others with respect to the Deed of Trust Property before the earlier of (A) the day any fine, penalty, interest or cost may be added thereto or imposed thereon or (B) the day any Lien or claim of Lien may be filed for the non-payment thereof; and (ii) shall not create or suffer or permit any mechanic's liens or claims of lien, materialmen's liens or claims of lien, or other liens or claims for lien made by parties claiming to have provided labor or materials with respect to the Deed of Trust Property to attach to or be filed against the Deed of Trust Property, whether inferior or superior to the lien of this Deed of Trust.

4.5 Repair: Grantor will maintain and preserve, or cause to be maintained and preserved, the Deed of Trust Property in good working order and condition, ordinary wear and tear excepted, and will make all repairs, replacements, renewals, additions, betterments, improvements and alterations thereof and thereto, interior and exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen, which are necessary to keep same in such order and condition.

4.6 Insurance: At its own cost, Grantor shall at all times maintain insurance against (i) loss, destruction or damage to its assets, properties and business of the kinds and in the amounts customarily insured against by commercial entities with established reputations engaged in the same or similar business as Grantor and, in any event, sufficient to fully protect Secured Creditors' interest in the Deed of Trust Property (including without limitation builder's risk insurance), (ii) insurance against public liability and third party property damage of the kinds and in the amounts customarily insured against by commercial entities with established reputations engaged in the same or similar business as Grantor, (iii) business interruption insurance in such amounts and with such deductibles as are reasonably required by Beneficiary to cover loss of revenues or the increased expense to resume operations attributable to the Deed of Trust Property by reason of total or partial suspension or delay of, or interruption in, the operation of the Deed of Trust Property as a result of an insured peril covered under property insurance required pursuant clause (i) above. All such policies shall (A) be issued by financially sound and reputable insurers, (B) name Beneficiary as additional insured and, where applicable, as loss payee under a lender loss payable endorsement satisfactory to Beneficiary, and (C) shall provide for 30 days' written notice to Beneficiary

before such policy is altered or canceled. All such insurance policies shall be evidenced by one or more Certificates of Insurance satisfactory to Beneficiary. Without limiting the foregoing, Grantor shall at all times maintain such insurance as required pursuant to the terms of the Ground Lease.

4.7 Restoration Following Casualty: If any acts or occurrences of any kind or nature, ordinary or extraordinary, foreseen or unforeseen, shall result in damage to or loss or destruction of the Deed of Trust Property, Grantor will give prompt notice thereof to Beneficiary. If (a) there are sufficient insurance proceeds or sufficient other amounts available to Grantor to fully pay for the restoration, repair or replacement (hereinafter called "Work") of the Deed of Trust Property and the projected appraised value of the Deed of Trust Property upon completion of the Work is equal to or greater than the appraised value of the Deed of Trust Property immediately prior to the casualty, (b) no Default shall have occurred and be continuing, (c) neither Grantor nor any tenant leasing the Deed of Trust Property has elected to terminate such tenant's Lease of the Deed of Trust Property pursuant to the terms thereof and confirmation of the same has been delivered to Beneficiary, (d) all parties having operating, management or franchise interests in, and arrangements concerning, the Deed of Trust Property agree that they will continue their interests and arrangements for the contract terms then in effect following the restoration or repair, (e) the Grantor presents sufficient evidence to the Beneficiary that the damaged property will be restored prior to the Maturity Date, and (f) the Beneficiary will not incur any liability to any other person as a result of such use or release of insurance proceeds, then (y) Grantor will certify to Beneficiary as to (a) through (f) above, and (z) Grantor will certify to Beneficiary that it will, and shall, within thirty (30) days following reaching an agreement with the insurer under the casualty insurance policy relating thereto with regard to the disbursement of insurance proceeds, commence and thereafter continue diligently to completion, to restore, repair, replace and rebuild such Deed of Trust Property as nearly as possible to its value, condition and character immediately prior to such damage, loss or destruction with such alterations, modifications and/or betterments reasonably deemed necessary or desirable by Grantor in its business judgment. If the conditions set forth in such certificate of Grantor are not satisfied with respect to a casualty, or if Grantor fails to deliver such a certificate to Beneficiary within one hundred eighty (180) days following the casualty, or if Grantor shall otherwise fail to restore, repair, replace or rebuild such Deed of Trust Property as provided herein, then the insurance proceeds related thereto shall be promptly paid to Beneficiary and applied to the outstanding balance of the Obligations.

4.8 Application of Proceeds: Insurance proceeds to be used for Work, which proceeds are equal to or greater than \$1,000,000 (the "Threshold Amount") on a per occurrence or claim basis, initially shall be paid to Beneficiary, and shall be paid out by Beneficiary to Grantor from time to time as the Work progresses, subject to the following conditions: (a) prior to the commencement thereof (other than Work to be performed on an emergency basis to protect the Deed of Trust Property or prevent interference therewith), an architect or engineer shall be retained by Grantor (at Grantor's expense) and charged with the supervision of the Work; (b) each request for payment by Grantor shall be made on ten (10) days prior notice to Beneficiary and shall be accompanied by a certificate by an executive officer of Grantor, stating that: (i) all of the Work completed has been completed in substantial compliance with the plans and specifications therefor; (ii) the sum requested is justly required to reimburse Grantor for payments by Grantor to, or is justly due to, the contractor, subcontractors, materialmen, laborers, engineers, architects or other Persons rendering services or materials for the Work; and (iii) when added to all sums previously paid out by Grantor, the sum requested does not exceed the value of the Work completed to the date of such certificate; (c) the amount of insurance proceeds remaining in the hands of Beneficiary or remaining to be disbursed by the applicable insurance company, plus any further reserves agreed to be maintained by Grantor in conformity with GAAP in connection with the Work, will be sufficient to complete the Work; (d) each request shall be accompanied by certification by an executive officer of Grantor or copies of

waivers of Lien reasonably satisfactory in form and substance to Beneficiary covering that part of the Work for which payment or reimbursement is being requested; provided, however, that in the event it is customary State practice not to grant such waivers prior to the making of such payments, Grantor shall have obtained affidavits from the parties requesting such payment (i) stating the amount then due and (ii) promising the delivery of the waiver upon the making of the payment; (e) no Default has occurred and no Default is continuing since the hazard, casualty or contingency giving rise to payment of the insurance proceeds occurred; and (f) in the case of the request for the final disbursement, such request is accompanied by a copy of any certificates of occupancy or other certificate required by any applicable Law to render occupancy of the damaged portion of the Deed of Trust Property lawful. Insurance proceeds to be used for Work, which proceeds are less than the Threshold Amount on a per occurrence or claim basis, initially shall be paid to Grantor and shall be used by Grantor to perform such Work in accordance with its certificate delivered pursuant to Section 4.7, with any excess thereof used to repay the Obligations in accordance with Section 4.7. In the event Grantor elects to restore, repair, replace or rebuild the Deed of Trust Property and subsequently fails to comply with any of the conditions set forth herein prior to full disbursement of insurance proceeds, any proceeds remaining to be disbursed, whether held by Grantor, Beneficiary or an insurance company, shall be paid to Beneficiary and, at its option, applied to the outstanding balance of the Obligations.

4.9 Inspection: Grantor will permit Beneficiary, any of the Secured Creditors and any of their agents, representatives and employees, upon reasonable advance notice to Grantor to inspect the Deed of Trust Property at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Grantor; provided that when an Event of Default exists the Beneficiary (or any of its respective representatives or independent contractors) may do any of the foregoing at any time or times (all at the expense of the Borrowers) during normal business hours and without advance notice. Neither Trustee, nor Beneficiary, nor any of the Secured Creditors shall have any duty or responsibility to make or perform any inspections or assessments of the Deed of Trust Property, and the making of any inspection or assessment by Beneficiary or any of the Secured Creditors shall not expose any of said parties to any liability or responsibility to Grantor or any third party, including without limitation any disclosure obligation, concerning or with respect to the condition of the Deed of Trust Property or any other aspect thereof.

4.10 Leases:

(a) Grantor shall promptly and fully keep, observe and perform, or cause to be kept, observed and performed, all of the material terms, covenants, provisions and agreements imposed upon or assumed by Grantor under any Leases, now or hereafter in effect, including any amendments or supplements to such Leases covering any part of the Deed of Trust Property that is affected by the terms, covenants, provisions and agreements imposed upon or assumed by Grantor in such Leases and Grantor will not do or fail to do, or permit or fail to permit to be done, any act or thing, the doing or omission of which will give any party a right to terminate any of such Leases or, in the case of any tenant, to abate the rental or other material payment due thereunder.

(b) If Grantor shall, in any manner, fail to comply with Section 4.10(a) above, Grantor agrees that Beneficiary may (but shall not be obligated to) take, upon ten (10) days' written notice to Grantor (or upon lesser notice, or without notice, if Beneficiary reasonably deems that the same is required to protect its interest in the Deed of Trust Property), any action which Beneficiary shall reasonably deem necessary or desirable to keep, observe and perform or cause to be kept, observed or performed any such terms, covenants, provisions or agreements and to enter upon the Deed of

Trust Property and take all action thereon as may be necessary therefor, or to prevent or cure any default by Grantor in the performance of or compliance with any of Grantor's covenants or obligations under said Leases. Beneficiary may rely on any notice of default received from any tenant unless, in connection with any such default or alleged default Grantor in good faith notifies Beneficiary of Grantor's election to contest such default by appropriate procedures and diligently pursues such contest. Grantor shall promptly deliver to Beneficiary a copy of any notice relating to defaults received from any tenant that is a party, or the trustee, receiver or successor for or to a party, to any of said Leases. Beneficiary may expend such sums of money as are reasonable and necessary for any such purposes, and Grantor hereby agrees to pay to Beneficiary, immediately upon demand, all sums so expended by Beneficiary, together with interest thereon from the date of such payment at the Default Rate, and until so paid by Grantor, all sums so expended by Beneficiary and the interest thereon shall be added to the Obligations secured by the lien and legal operation and effect of this Deed of Trust.

(c) Grantor will not, without the prior written consent of the Beneficiary, amend, modify, terminate or cancel any of the Leases of any part of the Deed of Trust Property, except as permitted under the Loan Agreement.

4.11 Taxes: Grantor shall pay, together with interest, fines, and penalties, if any, any documentary stamp, recording, transfer, mortgage, intangibles (including without limitation all recurring and non-recurring intangible taxes) or other taxes or fees whatsoever due in connection with the making, execution, delivery, filing of record, recordation, assignment, release, or discharge of this Deed of Trust or any of the Loan Documents or in connection with any advances made thereunder. This obligation shall survive the repayment of the Obligations and shall continue for so long as Beneficiary could be assessed for such taxes or fees, or for penalties or interest with respect to such taxes or fees.

4.12 Estoppel Certificates:

(a) Grantor, upon request of Beneficiary, shall, from time to time, certify to the best of its knowledge to Beneficiary or to any permitted assignee of this Deed of Trust, by an instrument in form satisfactory to Beneficiary or such assignee, in its reasonable discretion, duly acknowledged, *inter alia*, the amount then owing under the Loan Documents and the date through which interest thereon has been paid, and whether any offsets, counterclaims, credits, or defenses exist against payment or performance by Grantor of any Obligations, within ten (10) days of such request. Beneficiary and any permitted assignee of this Deed of Trust shall have the right to rely on any such certification.

(b) Beneficiary, upon request of Grantor, shall, from time to time, certify to the best of its knowledge to Grantor, by an instrument in form satisfactory to Beneficiary in its reasonable discretion, duly acknowledged, *inter alia*, the amounts then owing under the Loan Documents and the date through which interest has been paid, and whether to its knowledge any Event of Default then exists under the Loan Documents or this Deed of Trust, within ten (10) days of such request. Grantor shall have the right to rely on such certification.

4.13 Creation and Recordation of Additions and Betterments: Grantor shall arrange for timely recording or filing, as required, of all documents having to do with additions to or betterments of any portion of the Deed of Trust Property, and the covenants and agreements set forth in this Deed of Trust shall apply to all such additions and betterments.

4.14 Consents: Grantor will obtain and maintain the consent or approval of any Person whose consent or approval is required to the granting of a Lien on any interest in the Deed of Trust Property to the Beneficiary.

4.15 Change of Name or Address: Grantor shall give written notice to Beneficiary of any change in Grantor's name or address as required under the Loan Agreement or any other Loan Documents, and shall promptly execute (and acknowledge, as necessary) all documents and agreements reasonably required by Beneficiary or the Secured Creditors to confirm or maintain the security interests granted herein or in the other Loan Documents.

4.16 Other Agreements: Without first obtaining on each occasion the written approval of the Beneficiary, the Grantor shall not, except as permitted by the Loan Agreement, enter into, cancel, surrender or modify or permit the cancellation of any rental agreement, management contract, construction contract, technical services agreement or other contract, license or permit now or hereafter affecting the Deed of Trust Property, or modify any of said instruments, or accept or permit to be made any prepayment of any installment of rent or fees thereunder. Grantor shall notify Beneficiary upon the execution and, if applicable, recording of any of said instruments. Certified copies of each such agreement shall be submitted to the Beneficiary as soon as possible upon the Beneficiary's request. The Grantor shall faithfully keep and perform, or cause to be kept and performed, all of the covenants, conditions, and agreements contained in each of said instruments, now or hereafter existing, on the part of the Grantor to be kept and performed (including performance of all covenants to be performed under any and all leases of the Land and Improvements or any part thereof) and shall at all times do all things necessary and appropriate to compel performance by each other party to said instruments of all obligations, covenants and agreements by such other party to be performed thereunder.

4.17 Transfer of License: If Beneficiary acquires title to the Deed of Trust Property, Grantor shall execute, deliver and file, or cause any tenant under any Lease of such Deed of Trust Property to execute, deliver and file all documents and statements requested by Beneficiary to effect the transfer of the licenses and other governmental authorizations necessary for the continued use and operation of the Deed of Trust Property, subject to any required approval of any Governmental Authority, and shall provide to Beneficiary all information and records required in connection therewith.

4.18 Operation of Deed of Trust Property: Grantor will operate the Deed of Trust Property in a good and workmanlike manner and in accordance with all applicable Laws and will pay all fees or charges of any kind in connection therewith, except where the failure to so operate could not reasonably be expected to have a Material Adverse Effect. Grantor will keep the Deed of Trust Property occupied if necessary so as not to impair the insurance carried thereon. Grantor will not use or occupy or conduct any activity on, or allow the use or occupancy of or the conduct of any activity on, the Deed of Trust Property in any manner which, in any material respect, violates any applicable Law or which constitutes a public or private nuisance or which makes void, voidable or cancelable any insurance then in force with respect thereto, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect. Grantor will not initiate or permit any zoning reclassification of the Deed of Trust Property or seek any variance under existing zoning ordinances applicable to the Deed of Trust Property or use or permit the use of the Deed of Trust Property in such a manner which would result in such use becoming a nonconforming use under applicable zoning ordinances or other applicable Law. Grantor will not impose any easement, restrictive covenant or encumbrance upon the Deed of Trust Property, execute or file any subdivision plat or condominium declaration affecting the Deed of Trust Property or consent to the annexation of the Deed of Trust Property to any municipality, without the prior written consent of

Beneficiary. Grantor will not do or suffer to be done any act whereby the value of any part of the Deed of Trust Property could reasonably be expected to be materially lessened. Grantor will preserve, protect, renew, extend and retain all material rights and privileges granted for or applicable to the Deed of Trust Property. Without the prior written consent of Beneficiary, Grantor will not authorize any drilling or exploration for or extraction, removal or production of any mineral, hydrocarbon, gas, natural element, compound or substance (including sand and gravel) from the surface or subsurface of the Land regardless of the depth thereof or the method of mining or extraction thereof. Grantor will cause all debts and liabilities of any character (including without limitation all debts and liabilities for labor, material and equipment (including software embedded therein) and all debts and charges for utilities servicing the Deed of Trust Property) incurred in the construction, maintenance, operation and development of the Deed of Trust Property to be promptly paid, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect on Grantor or the Deed of Trust Property.

ARTICLE V

NEGATIVE COVENANTS; GROUND LEASE PROVISIONS

Grantor hereby covenants and agrees with Beneficiary that:

5.1 Use Violations: Grantor will not use, maintain, operate or occupy, or allow the use, maintenance, operation or occupancy of, any portion of the Deed of Trust Property in any manner which would result in a violation of Section 4.2 above or make void, voidable or cancelable, or substantially increase the premium of, any insurance then in force with respect thereto.

5.2 Waste: Grantor will not commit or permit any waste of the Deed of Trust Property.

5.3 Transfer of Deed of Trust Property; Partial Release: Grantor will not, except as expressly permitted by the Loan Agreement or as otherwise consented to in advance in writing by Beneficiary in accordance with the Loan Agreement, permit any of the Deed of Trust Property to be sold, transferred, conveyed, mortgaged, pledged, encumbered, disposed of, leased or removed at any time (any or all of the foregoing being referred to herein as a "Transfer"). If such Transfer is consented to by the Beneficiary or is otherwise expressly permitted by the Loan Agreement then upon compliance with the conditions imposed by Beneficiary or the Loan Agreement, as applicable, and upon at least ten (10) days' prior notice to Beneficiary, Grantor shall have the right to obtain from the Trustee and the Beneficiary, as applicable, the release or reconveyance of such transferred portions of the Deed of Trust Property. As a condition of any such release or reconveyance, (a) Grantor shall pay all trustees' fees, recording fees, escrow fees, attorneys' fees and other costs and expenses incurred by Beneficiary and/or Trustee in connection with any release or reconveyance given hereunder; and (b) Grantor shall deliver to Beneficiary such evidence as Beneficiary reasonably requests that (i) such release or reconveyance of any portion of the Deed of Trust Property can be done in compliance with all applicable subdivision and other Laws and regulations, and (ii) Beneficiary's and the Secured Creditors' rights and remedies with respect to the remaining Deed of Trust Property under the Loan Documents will not be impaired by such release or reconveyance.

5.4 Ground Lease:

(a) Except as may be otherwise permitted in the Loan Agreement, Grantor: (A) will perform or cause to be performed all of the covenants to be performed by it under the Ground Lease, (B) will do all things necessary to preserve unimpaired its rights thereunder, and (C) will not enter into an agreement

modifying or amending the Ground Lease or releasing Ground Lessor thereunder from any obligations imposed upon it thereby without, in each case, Beneficiary's prior written approval (which approval may be granted or withheld in Beneficiary's sole discretion).

(b) If Grantor receives a notice of default or any other material notice under the Ground Lease, or if Grantor notifies Ground Lessor of any default thereunder, Grantor shall immediately cause a copy of such notice to be sent by certified United States Mail to Beneficiary. Fee title to the Land and the estate conveyed by the Ground Lease shall not merge but shall always be kept separate and distinct, notwithstanding the union of said estates in Ground Lessor, Grantor, or a third party, whether by purchase or otherwise. If Grantor acquires the fee title or any other estate, title, or interest in all or any portion of the Land and Improvements, (A) the lien of this Deed of Trust shall attach to, cover, and be a lien upon such acquired estate, title, or interest, and such acquired estate, title, or interest shall thereupon be and become a part of the Property with the same force and effect as if specifically encumbered hereby, and (B) Grantor agrees to execute all instruments and documents which Beneficiary may reasonably require to ratify, confirm and further evidence Beneficiary's lien on the acquired estate, title, or interest (including, without limitation, a new mortgage or deed of trust, as applicable, covering such acquired estate, title, or interest). Grantor agrees that no release or forbearance of any of Grantor's obligations as lessee under the Ground Lease, pursuant to the Ground Lease or otherwise, shall release Grantor from any obligations under this Deed of Trust, including without limitation, each of the payment and performance obligations under the Ground Lease.

(c) Grantor hereby covenants and agrees to comply with the terms of the Loan Agreement with respect to the Ground Lease.

(d) Grantor hereby authorizes and appoints Beneficiary its attorney in fact to exercise any option to renew or purchase the Ground Lease in the name of and upon behalf of Grantor, which power of attorney shall be irrevocable and deemed to be coupled with an interest; provided that Beneficiary shall have and may exercise rights under the foregoing power of attorney only upon the occurrence and during the continuance of an Event of Default. As further security for the payment and performance of the Obligations, Grantor hereby assigns to Trustee and Beneficiary all of the rights, privileges, and prerogatives of Grantor, as lessee under the Ground Lease, to surrender the leasehold estate created by the Ground Lease or to terminate, cancel, modify, change, supplement or alter the Ground Lease, and any such surrender of the leasehold estate created by the Ground Lease or termination, cancellation, modification, change, supplement, alteration or amendment of the Ground Lease without the prior consent of Beneficiary shall be null and void and of no force and effect.

(e) Subject to the foregoing, if Grantor defaults under subsection (i) above by failing to make any payment required to be made by Grantor pursuant to the provisions of the Ground Lease or to keep, observe, or perform, or cause to be kept, observed, or performed, any of the terms, covenants, provisions or agreements of the Ground Lease (unless waived by Ground Lessor), Grantor agrees that Beneficiary may (but shall not be obligated to) take any action on behalf of Grantor (with right of entry onto the Real Property), to keep or cause to be kept, observed, or performed any such terms, covenants, provisions, or agreements, and to enter upon the Real Property (after reasonable advance notice to Grantor) and take all such action thereon as may be reasonably necessary therefor, and all money so expended by Beneficiary, with interest thereon at the Default Rate from the date of each such expenditure, shall be paid by Grantor to Beneficiary promptly upon demand by Beneficiary and shall be added to the Obligations secured by this Deed of Trust. If Beneficiary shall make any payment or perform any act or take any action in accordance

with the preceding sentence, then the payment, performance or action shall not remove or waive, as between Grantor and Beneficiary, the corresponding default under the terms of this Deed of Trust.

(f) If the Ground Lease terminates prior to the natural expiration of its term due to default by the lessee thereunder, and if pursuant to any provision of such Ground Lease or pursuant to Beneficiary's exercise of its rights hereunder or under any other Loan Document, Beneficiary or its designee shall acquire from Ground Lessor a new lease of the Property, Grantor shall have no right, title, or interest in or to such new lease or the leasehold estate created thereby, or renewal privileges therein contained.

(g) Except as required by the terms of the Ground Lease, Grantor will not subordinate or consent to the subordination of the Ground Lease to any mortgage, deed of trust, lease, or other interest on or in Ground Lessor's interest in all or any part of the Property, unless, in each such case, the written consent of Beneficiary shall have been first had and obtained; provided, however, that in the event that such subordination is required by the Ground Lease, to the extent permitted by the Ground Lease, such subordination shall also contain non-disturbance provisions which protect the lessee in the event of a default of Ground Lessor thereunder.

(h) Grantor shall: (i) promptly notify Beneficiary in writing of the commencement of a proceeding under the federal bankruptcy laws by or against Grantor or Ground Lessor; (ii) if any of the Obligations remains unpaid at the time when notice may be given by the lessee under the Ground Lease of the exercise of any right to renew or extend the term of the Ground Lease, promptly give notice to Ground Lessor of the exercise of such right of extension or renewal; (iii) in case any proceeds of insurance upon the Property or any part thereof are deposited with any person other than Beneficiary pursuant to the requirements of the Ground Lease, promptly notify Beneficiary in writing of the name and address of the person with whom such proceeds have been deposited and the amount so deposited; and (iv) promptly notify Beneficiary in writing of any request made by either party to the Ground Lease to the other party thereto for arbitration or appraisal proceedings pursuant to the Ground Lease, and of the institution of any arbitration or appraisal proceedings and promptly deliver to Beneficiary a copy of the determination of the arbitrators or appraisers in each such proceeding.

(i) Grantor acknowledges that pursuant to Section 365 of the Bankruptcy Code, 11 U.S.C. §101, *et seq.*, as the same may be amended from time to time (the "Bankruptcy Code") it is possible that a trustee in bankruptcy of Ground Lessor, or Ground Lessor as a debtor-in-possession could reject the Ground Lease, if any, in which case Grantor, as lessee, would have the election described in Section 365(h) of the Bankruptcy Code (such election together with any comparable right under any other state or federal law relating to bankruptcy, reorganization or other relief for debtors, whether now or hereafter in effect, the "Election") to treat such Ground Lease as terminated by such rejection or, in the alternative, to remain in possession for the balance of the term of the Ground Lease and any renewal or extension thereof that is enforceable by the lessee under applicable law.

(j) Grantor covenants that it will not suffer or permit the termination of the Ground Lease by exercise of the Election or other involuntary termination without the prior written consent of Beneficiary. Grantor acknowledges that since the Ground Lease is a primary part of the security for the Obligations, it is not anticipated that Beneficiary would consent to termination of the Ground Lease in connection with any such election and Beneficiary shall not under any circumstances be obliged to give such consent.

(k) In order to secure the covenant made in this section and as security for the Obligations, Grantor assigns the Election and all rights related thereto to Beneficiary. Grantor acknowledges and agrees that the foregoing assignment of the Election and related rights is one of the rights which Beneficiary may

use at any time in order to protect and preserve the other rights and interests of Beneficiary under this Deed of Trust, since exercise of the Election in favor of terminating the Ground Lease would constitute waste hereunder.

(l) Grantor acknowledges and agrees that the Election is in the nature of a remedy and is not a property interest which Grantor can separate from the Ground Lease. Therefore, Grantor agrees that exercise of the Election in favor of preserving the right to possession under the Ground Lease shall not be deemed to constitute a taking or sale of the Property by Beneficiary and shall not entitle Grantor to any credit against the Obligations secured by this Deed of Trust.

(m) Grantor acknowledges and agrees that in the event the Election is exercised in favor of Grantor remaining in possession, Grantor's resulting rights under the Ground Lease, as adjusted by the effect of Section 365 of the Bankruptcy Code, shall then be part of the Property and shall be subject to the lien created by this Deed of Trust.

(n) Beneficiary shall have the right to proceed in its own name or in the name of Grantor in respect of any claim, suit, action or proceeding relating to the rejection of the Ground Lease by Ground Lessor or any other party, including, without limitation, the right to file and prosecute under the Bankruptcy Code, without joining or the joinder of Grantor, any proofs of claim, complaints, motions, applications, notices and other documents. Any amounts received by Beneficiary as damages arising out of the rejection of the Ground Lease as aforesaid shall be applied first to all costs and expenses of Beneficiary (including, without limitation, attorneys' fees) incurred in connection with the exercise of any of its rights or remedies under this paragraph. Grantor acknowledges that the assignment of all claims and rights to the payment of damages from the rejection of the Ground Lease made under the granting clauses of this Deed of Trust constitutes a present irreversible and unconditional assignment and Grantor shall, at the request of Beneficiary, promptly make, execute, acknowledge and deliver, in form and substance satisfactory to Beneficiary, a UCC Financing Statement (Form UCC-1) and all such additional instruments, agreements and other documents, as may at any time hereafter be required by Beneficiary to carry out such assignment.

(o) If pursuant to Subsection 365(h)(1)(B) of the Bankruptcy Code, Grantor shall seek to offset against the rent reserved in the Ground Lease the amount of any damages caused by the nonperformance by Ground Lessor or any other party of any of their respective obligations under the Ground Lease after the rejection by Ground Lessor or such other party of such Ground Lease under the Bankruptcy Code, then Grantor shall, prior to effecting such offset, notify Beneficiary of its intent to do so, setting forth the amount proposed to be so offset and the basis therefor. Beneficiary shall have the right to object to all or any part of such offset that, in the reasonable judgment of Beneficiary, would constitute a breach of such Ground Lease, and in the event of such objection, Grantor shall not effectuate any offset of the amounts found objectionable by Beneficiary. Neither Beneficiary's failure to object as aforesaid nor any objection relating to such offset shall constitute an approval of any such offset by Beneficiary. Grantor shall indemnify and hold Beneficiary harmless from and against any and all claims, demands, actions, suits, proceedings, damages, losses, costs and expenses of every nature whatsoever (including without limitation, attorney fees) arising from or relating to any such offset by Grantor.

(p) If any action, proceeding, motion or notice shall be commenced or filed in respect of Ground Lessor or any other party or in respect of the Ground Lease in connection with any case under the Bankruptcy Code, then Beneficiary shall have the option, exercisable upon notice from Beneficiary to Grantor, to conduct and control any such litigation with counsel of Beneficiary's choice. Beneficiary may proceed in its own name or in the name of Grantor in connection with any such litigation, and Grantor agrees to execute any and all powers, authorizations, consents or other documents required by Beneficiary

in connection therewith. Grantor shall, upon demand, pay to Beneficiary all costs and expenses (including attorneys' fees) paid or incurred by Trustee or Beneficiary in connection with the prosecution or conduct of any such proceedings. Grantor shall not commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Ground Lease in any such case under the Bankruptcy Code without the prior written consent of Beneficiary.

(q) Grantor shall, after obtaining knowledge thereof, promptly notify Beneficiary of any filing by or against Ground Lessor or other party with an interest in the Land of a petition under the Bankruptcy Code. Grantor shall promptly deliver to Beneficiary, following receipt, copies of any and all notices, summonses, pleadings, applications and other documents received by Grantor in connection with any such petition and any proceedings relating thereto.

(r) If there shall be filed by or against Grantor a petition under the Bankruptcy Code and Grantor, as lessee under the Ground Lease, shall determine to reject the Ground Lease pursuant to Section 365(a) of the Bankruptcy Code, then Grantor shall give Beneficiary not less than twenty (20) days' prior notice of the date on which Grantor shall apply to the bankruptcy court for authority to reject the Ground Lease. Beneficiary shall have the right, but not the obligation, to serve upon Grantor within such twenty (20) day period a notice stating that Beneficiary demands that Grantor assume and assign the Ground Lease to Beneficiary pursuant to Section 365 of the Bankruptcy Code. If Beneficiary shall serve upon Grantor the notice described in the preceding sentence, Grantor shall not seek to reject such Ground Lease and shall comply with the demand provided for in the preceding sentence. In addition, effective upon the entry of an order for relief with respect to Grantor under the Bankruptcy Code, Grantor hereby assigns and transfers to Beneficiary a non-exclusive right to apply to the bankruptcy court under subsection 365(d)(4) of the Bankruptcy Code for an order extending the period during which the Ground Lease may be rejected or assumed.

ARTICLE VI

DEFAULT AND FORECLOSURE

6.1 Remedies: If an Event of Default shall have occurred, and all or any portion of the Obligations then remaining unpaid shall have been declared due and payable in accordance with the Loan Documents, then, without notice or demand, which are hereby expressly waived to the extent permitted under applicable Laws, the Beneficiary (or Trustee, at Beneficiary's request, with respect to a non-judicial foreclosure pursuant to the power of sale granted herein), may exercise any or all of the following rights, remedies and recourses:

(a) **Entry Upon Deed of Trust Property:** To the extent permitted by applicable Laws, by itself or by the appointment of a receiver in accordance with applicable Laws, enter upon all or any part of the Deed of Trust Property and take exclusive possession thereof and of all books, records and accounts relating thereto. If Grantor remains in possession of all or any part of the Deed of Trust Property after an Event of Default and without Beneficiary's prior written consent thereto, Beneficiary may invoke any and all legal remedies to dispossess Grantor, including without limitation one or more actions for forcible entry and detainer, trespass to try title and writ of restitution. Nothing contained in the foregoing sentence shall, however, be construed to impose any greater obligation or any prerequisites to acquiring possession of the Deed of Trust Property after an Event of Default than would have existed in the absence of such sentence.

(b) Operation of Deed of Trust Property:

(i) To the extent permitted by applicable Laws, by itself or by the appointment of a receiver in accordance with applicable Laws, hold, lease, manage, operate or otherwise use or permit the use of all or any portion of the Deed of Trust Property, either by itself or by other persons, firms or entities, in such manner, for such time and upon such other terms as Beneficiary may deem to be prudent and reasonable under the circumstances (making such repairs, alterations, additions and improvements thereto and taking any and all other action with reference thereto, from time to time, as Beneficiary shall reasonably deem necessary or desirable), and apply all Rents and other amounts collected by Beneficiary in connection therewith in accordance with the provisions of Section 6.6 below.

(ii) To the extent permitted by applicable Laws, as attorney-in-fact or agent of the Grantor, or in its own name as Beneficiary or by the appointment of a receiver in accordance with applicable Laws and under the powers herein granted, hold, operate, manage, and control all or any portion of the Deed of Trust Property and conduct the business, if any, thereof, either personally or by its agents, and to exercise the powers described in Section 8.3 hereof. Such remedies may be exercised cumulatively and concurrently, and in this respect Beneficiary shall be entitled to avail itself of the benefits and rights stated in Section 6.3 below.

(c) Foreclosure: (i) Institute a proceeding, judicial or otherwise, for the complete foreclosure of this Deed of Trust to the fullest extent permitted by applicable Laws; or (ii) institute a proceeding or proceedings, judicial or otherwise, for the partial foreclosure of this Deed of Trust, as permitted by applicable Laws for the portion of the Obligations then due and payable, with this Deed of Trust then continuing unimpaired and without loss of priority so as to secure the balance of the Obligations.

(d) Exercise of Remedies. No remedy herein conferred upon or reserved to the Beneficiary is intended to be exclusive of any other remedy, but every remedy herein provided shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity, or by statute; and every power and remedy given by this Deed of Trust to the Beneficiary may be exercised from time to time and as often as may be deemed expedient. No delay or omission by the Beneficiary to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any default or an acquiescence therein. In case the Beneficiary shall have proceeded to enforce any right under this Deed of Trust by foreclosure, entry or otherwise, and such proceeding shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely, then, and in such and every case, the Grantor and the Beneficiary shall severally and respectively be restored to their former positions and rights hereunder in respect of the Deed of Trust Property, and all rights, remedies and powers of the Beneficiary shall continue as though no such proceedings had been taken.

(e) Sale: To the extent permitted by applicable Laws, sell or offer for sale the Deed of Trust Property, in such portions, order and parcels as Beneficiary may determine, with or without having first taken possession of same, to the highest bidder for cash in lawful money of the United States at public auction in accordance with applicable Laws, or the UCC, and in the event of a sale, by foreclosure or otherwise, of less than all of the Deed of Trust Property, this Deed of Trust shall

continue as a lien and security interest on the remaining portion of the Deed of Trust Property. Beneficiary may postpone any sale by public announcement at the time and place noticed for the sale. If the Deed of Trust Property consists of several lots, Parcels or items of property, Beneficiary may, in its sole discretion and to the extent permitted by applicable Laws: (i) designate the order in which such lots, parcels or items shall be offered for sale or sales, or (ii) elect to sell such lots, parcels or items through a single sale, or through two or more successive sales or in any other manner Beneficiary deems in its best interest. Should Beneficiary desire that more than one sale or other disposition of the Deed of Trust Property or any portion thereof be conducted simultaneously, or successively, on the same day, or at such different days or times and in such order as Beneficiary may deem to be in its best interests, no such sale shall terminate or otherwise affect the lien and security interest of this Deed of Trust on any part of the Deed of Trust Property not sold until all the Obligations have been fully satisfied. Grantor shall pay the Expenses of any sale of the Deed of Trust Property, whether one or more, and of any judicial proceedings wherein the same may be made, including reasonable compensation to Beneficiary, its agents and counsel, and shall pay all expenses, liabilities and advances made or incurred by Beneficiary in connection with such sale or sales, together with interest on all such advances made by Beneficiary at the Default Rate. Upon any sale hereunder, Beneficiary shall execute and deliver to the purchaser or purchasers a deed or deeds conveying the property so sold, but without any covenant or warranty whatsoever, express or implied, whereupon such purchaser or purchasers shall be let into immediate possession; and the recitals in any such deed or deeds of facts, such as default, the giving of notice of default and notice of sale, and other facts affecting the regularity or validity of such sale or disposition, shall be conclusive proof of the truth of such facts; and any such deed or deeds shall be conclusive against all persons as to such facts recited therein.

(f) Intentionally Omitted

(g) Trustee or Receiver: Prior to, upon or at any time after, commencement of foreclosure of the lien, security title and security interest provided for herein or any legal proceedings pursuant hereto, make application to a court of competent jurisdiction for appointment of a receiver of the Deed of Trust Property. Such application may be made as a matter of strict right and without notice to Grantor (unless notice is required by applicable Laws and such right of notice may not be waived) or regard to the adequacy of the Deed of Trust Property or insolvency of the Grantor or any of the Loan Parties or any person who may be legally or equitably liable to pay the Obligations and without giving bond to Grantor (unless bond is required by applicable Laws and such right of bond may not be waived), and Grantor does hereby irrevocably consent to such appointment. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to rent, maintain and otherwise operate the Deed of Trust Property all upon such terms as may be approved by the court, and shall apply the Rents in accordance with the provisions of this Deed of Trust.

(h) Separate Sales: To the extent permitted by applicable Laws, the Deed of Trust Property may be sold in one or more Parcels and in such manner and order as Trustee and Beneficiary, as applicable, in their sole discretion, may elect, it being expressly understood and agreed that the right of sale arising out of any Event of Default shall not be exhausted by any one or more sales.

(i) Other: Exercise any and all other rights, remedies and recourses granted under the Loan Documents or now or hereafter existing in equity or at law, by virtue of statute or otherwise,

including, without limitation, the right to bring an action in any court of competent jurisdiction to foreclose this instrument or enforce any of the terms hereof.

(j) **Remedies Cumulative, Concurrent and Nonexclusive:** Beneficiary shall have all rights, remedies and recourses granted in the Loan Documents and available at law or equity (including specifically those granted by the UCC in effect and applicable to the Deed of Trust Property) and, except as limited by applicable Laws, the same (a) shall be cumulative and concurrent; (b) may be pursued separately, successively or concurrently against Grantor and/or any of the other Loan Parties or against all or any portion of the Deed of Trust Property, at the sole discretion of Beneficiary; (c) may be exercised as often as occasion therefor shall arise, it being agreed by Grantor that the exercise or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of any other right, remedy or recourse; and (d) are intended to be, and shall be nonexclusive. No delay or omission by the Beneficiary to exercise any right or power arising from any default shall impair any such right or power or shall be construed to be a waiver of any default or an acquiescence therein. In case the Beneficiary or the Trustee shall have proceeded to enforce any right under this Deed of Trust by foreclosure, entry or otherwise, and such proceeding shall have been discontinued or abandoned because of waiver or for any other reason, or shall have been determined adversely, then, and in such and every case, the Grantor and Beneficiary and Trustee shall severally and respectively be restored to their former positions and rights hereunder in respect of the Deed of Trust Property, and all rights, remedies and powers of the Beneficiary and Trustee shall continue as though no such proceedings had been taken.

(k) **Collection of Costs and Expenses:** The Trustee and the Beneficiary shall be entitled to receive all costs and expenses of the sale or repossession of the Deed of Trust Property including the Trustee's fees and reasonable attorneys' fees or a receiver's reasonable fee or commission, if any, title and abstracting charges, reasonable attorneys' fees and reasonable auctioneer's fees, and all other costs and expenses incurred in exercising Beneficiary's remedies hereunder.

6.2 No Conditions Precedent to Exercise of Remedies: Grantor shall not be relieved of any obligation it has under this Deed of Trust, the Loan Agreement or any other Loan Document by reason of (i) the release, regardless of consideration, of any of the Deed of Trust Property or any other collateral held pursuant to the Loan Documents or the addition of any other property to the Deed of Trust Property or any other such collateral; (ii) any agreement or stipulation between any subsequent owner of all or any portion of the Deed of Trust Property and Beneficiary extending, renewing, rearranging or in any other way modifying the terms of any of the Obligations without first having obtained the consent of, given notice to or paid any consideration to the Grantor or any of the other Loan Parties, and in such event the Grantor shall continue to be liable to make payment according to the terms of any such extension or modification agreement unless expressly released and discharged in writing by Beneficiary; or (iii) any other acts or occurrence, save and except the full payment and performance of all of the Obligations.

6.3 Release of and Resort to Collateral: To the fullest extent permitted by applicable Laws, Beneficiary may release, regardless of consideration, any part of the Deed of Trust Property without, as to the remainder, in any way impairing, affecting, subordinating or releasing the lien or security interest created in or evidenced by the Loan Documents or their stature as a first and prior lien and security interest in and to the Deed of Trust Property. For payment of the Obligations, to the fullest extent permitted by applicable Laws, Beneficiary may resort to any other security therefor in such order and manner as Beneficiary may elect, and such resort may be, to the extent permitted by applicable Laws, taken

concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both.

6.4 Waivers: To the fullest extent permitted by applicable Laws, Grantor hereby irrevocably and unconditionally WAIVES and RELEASES (a) all benefits that might accrue to Grantor by virtue of any present or future law exempting the Deed of Trust Property from attachment, levy or sale on execution or providing for any appraisal, valuation, homestead exemption, stay of execution, exemption from civil process, redemption or extension of time for payment; (b) except as otherwise provided in the Loan Agreement or any other Loan Document, all notices of any demand, presentment, Event of Default, intent to accelerate or acceleration or the election by Beneficiary to exercise or the actual exercise of any right, remedy or recourse provided for under the Loan Documents; (c) any right to a marshalling of assets or a sale in inverse order of alienation; (d) any restrictions or conditions upon the exercise by the Trustee or the Beneficiary, as applicable, of the remedies set forth in Section 6.1; (e) the exemption of homestead; and (f) any equity redemption, statutory right of redemption and all other rights and exemptions of every kind. Furthermore, Grantor, for itself and for all persons now or hereafter claiming through or under it or who may at any time hereafter become holders of liens junior to the lien of this Deed of Trust, to the extent permitted by applicable Laws, hereby expressly waives and releases all rights to direct the order in which any of the Deed of Trust Property shall be sold in the event of any sale or sales pursuant hereto and to have any of the Deed of Trust Property and/or any other property now or hereafter constituting security for any of the Obligations marshaled upon any foreclosure of this Deed of Trust or upon the foreclosure or exercise of remedies with respect to any other security for any of the Obligations.

6.5 Discontinuance of Proceedings: To the extent permitted by applicable Laws, in case Beneficiary shall have proceeded to invoke any right, remedy or recourse permitted under the Loan Documents and shall thereafter elect to discontinue or abandon same for any reason, Beneficiary shall have the unqualified right so to do and, in such an event, the Grantor, the other Loan Parties and Beneficiary shall be restored to their former positions with respect to the Loan Documents, the Deed of Trust Property and otherwise, and the rights, remedies, recourses and powers of Trustee and Beneficiary shall continue as if same had never been invoked.

6.6 Application of Proceeds:

(a) To the extent permitted by applicable Laws, all proceeds received from the sale or other dispositions of the Deed of Trust Property, including but not limited to, the Rents and other income generated by the holding, leasing, operating or other use of the Deed of Trust Property, pursuant to ARTICLE VI of this Deed of Trust shall be applied by the Beneficiary (or the receiver, if one is appointed), as applicable, to the extent that funds are so available therefrom, in accordance with the following priorities:

First: to the costs and expenses of the sale or possession of the Deed of Trust Property including the Trustee's or receiver's reasonable fee or commission, if any, title and abstracting charges, reasonable attorneys' fees and a reasonable auctioneer's fee if such expense has been incurred;

Second: to the satisfaction of the Obligations as provided in Section 8.2.3 of the Loan Agreement;

Third: to the payment to whomsoever shall be entitled thereto under applicable Laws, if the person who made the sale knows who is entitled thereto. Otherwise, the

surplus shall be paid to the clerk of the superior, district or circuit court (or other court having jurisdiction) of the county where the sale was had.

(b) If the Trustee and/or Beneficiary shall be ordered, in connection with any bankruptcy, insolvency or reorganization of the Grantor or any other Loan Party, to restore or repay to or for the account of the Grantor or any other Loan Party or any of their creditors any amount theretofore received under this Section 6.6, the amount for such restoration or repayment shall be deemed to be an Obligation so as to place the Trustee and/or Beneficiary in the position they would have been in had such amount never been received by any party hereto.

6.7 Cooperation: If an Event of Default shall occur, Grantor shall cooperate with Beneficiary and promptly do all things reasonably required of it toward obtaining all necessary authority and permission from any Governmental Authority or otherwise to accomplish any disposition, abandonment or change in use of the Deed of Trust Property (or any portion thereof) as Beneficiary may reasonably request in connection with the exercise of its rights and powers hereunder and under the other Loan Documents. Without limiting the generality of the foregoing, following an Event of Default and reasonable advance notice to Grantor, Grantor agrees to relocate operations located on the Deed of Trust Property to accommodate the disposition, abandonment, change in use or foreclosure by Trustee or Beneficiary, as the case may be, of any portion thereof, provided that such relocation does not materially violate any applicable Law applicable to Grantor or the Deed of Trust Property.

ARTICLE VII

CONDEMNATION

7.1 General: Promptly following the date on which an executive officer of Grantor obtains knowledge of the institution or the threatened institution of any proceeding for the condemnation of all or any portion of the Deed of Trust Property, Grantor shall notify Beneficiary of such fact. Grantor shall then, unless Beneficiary waives this requirement, file or defend its claim in respect of such proceeding and prosecute same with due diligence to its final disposition. Grantor may be the nominal party in such proceeding but Beneficiary shall be entitled to participate in same and to be represented therein by counsel of its own choice, and Grantor will deliver or cause to be delivered to Beneficiary such instruments as may be reasonably requested by it from time to time to permit such participation. All proceeds received from any such condemnation proceeding shall be paid to Beneficiary and applied in the manner set forth in Section 8.2.3 of the Loan Agreement.

7.2 Rebuilding, Restoration and Repair: In the event (a) no Event of Default or monetary Default shall have occurred and be continuing, (b) only a portion of the Deed of Trust Property is taken, (c) Grantor elects to rebuild, restore or repair the remaining portion of the Deed of Trust Property, (d) the cost of the rebuilding, restoration or repair reasonably estimated by Beneficiary shall not exceed the Threshold Amount, (e) there are sufficient proceeds or other amounts available to Grantor to fully pay for the rebuilding, restoration or repair of the Deed of Trust Property and the projected appraised value of the Deed of Trust Property upon completion of the same is equal to or greater than the appraised value of the Deed of Trust Property immediately prior to the condemnation, (f) neither the Grantor nor any tenant leasing the Deed of Trust Property has elected to terminate the Lease pursuant to the terms thereof and confirmation of the same has been delivered to Beneficiary, (g) Grantor has received and is entitled to continue to receive full rental payments under such Lease through the period of rebuilding, restoration or repair, whether such payments are made by the tenant or from rental or business interruption insurance proceeds, (h) all parties having operating, management or franchise interests in, and arrangements concerning, the Deed of Trust

Property agree that they will continue their interests and arrangements for the contract terms then in effect following the restoration, (i) the Grantor presents sufficient evidence to the Beneficiary that the Deed of Trust Property will be restored to an architectural whole prior to the Maturity Date and (j) the Beneficiary will not incur any liability to any other person as a result of such use or release of proceeds, then Grantor will so certify to Beneficiary, and will certify that it will and shall continue diligently to completion to restore, repair, replace and rebuild such Deed of Trust Property as nearly as possible to its value, condition and character immediately prior to such condemnation with such alterations, modifications and/or betterments reasonably deemed necessary or desirable by Grantor in its business judgment. With the certification described in the preceding sentence, the Grantor shall deliver to Beneficiary plans and specifications for such rebuilding, restoration or repair; and Grantor shall thereafter commence the rebuilding, restoration or repair in accordance with the plans and specifications required pursuant to the preceding provisions within sixty (60) days after the date of the disbursement of the award or settlement, and complete same to the satisfaction of the Beneficiary within a reasonable time thereafter. In the event each of the conditions set forth above in the first sentence of this Section 7.2 are satisfied except that the cost of rebuilding, restoration or repair is in excess of the Threshold Amount, the above provisions shall apply except that the proceeds shall be paid to Beneficiary and disbursed in accordance with Section 4.8 (with all references to insurance proceeds being revised to be condemnation proceeds). Upon completion of such rebuilding, restoration and repair in accordance with the preceding provisions, Grantor may apply such amount or settlement to the costs of such rebuilding, restoration or repair. If (w) there is a total condemnation of the Deed of Trust Property, or (x) if the remaining Deed of Trust Property is no longer suitable for use by the Grantor or the tenant of such Deed of Trust Property, or (y) if Grantor elects not to rebuild, restore or repair as specified above, or (z) the requirements set forth above for rebuilding, restoration or repair after a partial condemnation are not met to Beneficiary's satisfaction, then Grantor shall pay to Beneficiary such award or settlement to be applied to reduce the outstanding balance of the Obligations. At all times during which an Event of Default shall have occurred and be continuing, Beneficiary shall be entitled to receive direct and immediate payment of the proceeds of such condemnation and Grantor shall take all action as the Beneficiary may reasonably request to accomplish such payment. In the event Grantor shall receive any such proceeds during the occurrence and continuance of an Event of Default, Grantor shall immediately deliver the proceeds to Beneficiary for the benefit of the Secured Creditors and pending such delivery, shall hold such proceeds in trust for the benefit of the Secured Creditors and keep the same segregated from its other funds.

ARTICLE VIII

SECURITY AGREEMENT AND ASSIGNMENT OF LEASES AND RENTS

8.1 Assignment:

(a) Subject to the terms and conditions hereinafter set forth, and to the extent permitted by applicable Laws, Grantor as debtor does hereby irrevocably assign and deliver unto Beneficiary as secured party for its benefit and the ratable benefit of the Secured Creditors, as security for the payment and performance of the Obligations, and grant a security interest in, all of the right, title and interest of Grantor in and to all of the following (collectively, the "Collateral"):

- (i) The Leases;
- (ii) The Rents;

- (iii) The Fixtures; and
- (iv) Any other Deed of Trust Property.

(b) This assignment of rentals and any other assignments required by the provisions hereof shall terminate and become null and void upon release of this Deed of Trust.

(c) The Grantor authorizes Beneficiary to file, in form and substance satisfactory to Beneficiary, such financing statements and such further assurances as required by applicable Laws or as Beneficiary may, from time to time, consider reasonably necessary to create, perfect and preserve Beneficiary's security interest herein granted, and Grantor will (or Beneficiary at its option may) cause such statements and assurances to be recorded and filed at such times and places as may be required or permitted by applicable Laws to so create, perfect and preserve such security interest. Grantor authorizes Beneficiary to file one or more financing statements, without the signature of Grantor, covering the Collateral.

(d) Beneficiary shall have, and Grantor grants to Beneficiary, all the rights, remedies and recourses with respect to the Deed of Trust Property afforded a secured party by the aforesaid UCC in addition to, and not in limitation of, the other rights, remedies and recourses afforded by the Loan Documents and at law.

(e) It is the intention of the parties hereto that this Deed of Trust shall constitute a "security agreement" within the meaning of the UCC. If an Event of Default shall occur and be continuing, then in addition to having any other right or remedy available under applicable Laws, at law or in equity, Beneficiary shall have the option, to the extent permitted by applicable Laws, of either: (i) proceeding under the UCC and exercising such rights and remedies as may be provided to a secured party by the UCC with respect to all or any portion of the Deed of Trust Property which is personal property (including, without limitation, taking possession of and selling such property); or (ii) treating such property as real property and proceeding with respect to both the real and personal property constituting the Deed of Trust Property in accordance with Beneficiary's rights, powers and remedies conferred upon it under this Deed of Trust with respect to the real property (in which event the default provisions in the UCC shall not apply). If Beneficiary shall elect to proceed under the UCC, then Beneficiary shall comply with the UCC with respect to any sale of such personal property, including giving adequate notice of sale, assembling and preparing for sale, and incurring reasonable expenses of sale. For purposes of the security agreement herein set forth and the security interests herein created, information regarding the debtor and the secured party are set forth below.

(f) This Deed of Trust shall be effective as a Financing Statement filed as a fixture filing from the date of its filing for record covering the Fixtures and is to be filed for record in the real estate records of each county, city or town, as applicable, where any part of the Deed of Trust Property (including Fixtures) is situated. The record owner of the fee simple estate in the real property described in Exhibit A is the Ground Lessor. The addresses of Grantor, as Debtor, and Beneficiary, as Secured Party, are as set forth herein. The Deed of Trust Property includes items that are or are to become fixtures related to the Land and Improvements of which the Grantor is record title owner. This Deed of Trust shall also be effective as a financing statement covering the Collateral and may be filed in any other appropriate filing or recording office.

(g) This instrument covers goods that are or are to become fixtures on the Land described herein. This instrument shall be deemed to be a fixture filing and financing statement and for such purpose the following information is set forth:

(i) Name and Address of Debtor: as set forth in the introductory paragraph of this Deed of Trust.

(ii) Name and Address of Secured Party: as set forth in the introductory paragraph of this Deed of Trust.

(iii) The mailing address of the Grantor/Debtor is the address of Grantor set forth in the introductory paragraph of this Deed of Trust.

(iv) The mailing address of the Beneficiary/Secured Party is set forth in the introductory paragraph of this Deed of Trust.

(v) Description of the types (or items) of property covered by this financing statement: as set forth in Section 1.1 and this Section 8.1.

(vi) Description of real estate to which collateral is attached or upon which it is located: as set forth on Exhibit "A".

(vii) A carbon, photographic or other reproduction of this Deed of Trust or of any financing statement relating to this Deed of Trust shall be sufficient as a financing statement for any of the purposes referred to herein. Grantor is an organization that is a limited liability company organized under the laws of the State of Washington, and Grantor's Washington organizational identification number is 601 619 789.

(viii) The record owner of the real estate to which the Collateral is attached or upon which it is located is Grantor.

8.2 Collection of Rents: Grantor presently, unconditionally and irrevocably assigns to Beneficiary, with or without taking possession of the Land or the Improvements, the Rents, and hereby authorizes and empowers Beneficiary to collect the Rents as the same shall become due, and does hereby irrevocably direct each and all of the lessees, sublessees, licensees, or other occupants of the Deed of Trust Property to pay to Beneficiary, upon demand by Beneficiary, the Rents; provided that prior to the occurrence of an Event of Default and so long as no Event of Default is continuing, Grantor shall have a license to collect and receive all Rents, which license shall be terminable in the sole and absolute discretion of Beneficiary, without regard to the adequacy of its security and without notice to or demand on Grantor, upon the occurrence of any Event of Default. Upon the termination of Grantor's license to collect the Rents, Grantor shall immediately turn over or cause to be turned over to Beneficiary, or its agent or designee, promptly upon receipt or collection, all Rents previously paid to Grantor or any managing or collection agent of Grantor and not theretofore expended for the Deed of Trust Property, as well as all Rents which are collected or received by Grantor or any managing or collection agent of Grantor after the termination of Grantor's license to collect the Rents. Any such Rents not turned over to Beneficiary as required hereby shall be deemed to be held by Grantor in trust for Beneficiary. The foregoing assignment shall not impose upon Beneficiary any duty to produce Rents from the Deed of Trust Property, and shall not cause Beneficiary to be a "mortgagee-in-possession" for any purpose. Without limiting the application of the

provisions of real property law to the aforesaid assignment of the Rents to Beneficiary, Beneficiary is hereby expressly granted a first priority security interest in all of such items included as Rents for which perfection of a lien or charge thereon may be governed by the provisions of Article 9 of the UCC. Without limiting any other provisions of this Deed of Trust, Beneficiary shall be entitled to enforce this assignment of Rents and to exercise all rights and remedies in accordance with any applicable provisions of law.

8.3 Beneficiary's Powers of Attorney: Grantor does hereby irrevocably constitute and appoint Beneficiary, while this Deed of Trust remains in force and effect, its true and lawful attorney-in-fact, coupled with an interest and with full power of substitution, delegation and revocation, for Grantor and in its name, place and stead, in person or by the appointment of a receiver, to enter and take possession of the Deed of Trust Property after an Event of Default by actual physical possession without the commencement of any action to foreclose this Deed of Trust or to exercise any power of sale Beneficiary may have hereunder and to do and perform any or all of the following actions, as fully as Grantor could do if personally present, hereby ratifying and confirming all that Beneficiary, as attorney or its substitute, or any receiver, shall lawfully do or cause to be done by virtue hereof:

(a) to enter into subordination and non-disturbance agreements with respect to any Leases or with any of the tenants or lessees under any of the Leases;

(b) to demand, collect, sue for, attach, levy, recover, receive, compromise and adjust, and make, execute and deliver receipts, releases, discharges or other instruments for all Rents, issues, and other amounts that may hereafter become due, owing or payable with respect to the Deed of Trust Property or any part thereof from any present or future tenants, lessees, sublessees, licensees or other occupants thereof;

(c) to institute, prosecute to completion, or compromise and settle, all summary proceedings, actions for rent or for removing any and all tenants, lessees, sublessees, licensees or other occupants of the Deed of Trust Property or any part or parts thereof;

(d) to enforce or enjoin or restrain the violation of any of the terms, provisions and conditions of any of the Leases;

(e) to pay, from and out of any Rents and issues collected in respect of the Deed of Trust Property or any part thereof, or from or out of any other funds, any taxes, assessments, water rates, sewer rates, or other government charges levied, assessed, or imposed against the Deed of Trust Property, or any portion thereof, and also any and all other charges, costs and expenses which it may be reasonably necessary or advisable for Beneficiary to pay in the management or operation of the Deed of Trust Property, including commissions for renting the Deed of Trust Property or any portion thereof, management and consulting fees, and legal expenses incurred in enforcing claims, drafting and negotiating documents or for any other services that may be required;

(f) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Deed of Trust Property;

(g) to receive, indorse, and collect any drafts or other instruments, documents and chattel paper, in connection with Section 8.3(f) above;

(h) to file any claims or take any action or institute any proceedings which the Beneficiary may deem necessary or desirable for the collection of any of the Deed of Trust Property or otherwise to enforce the rights of the Beneficiary with respect to any of the Deed of Trust Property, including without limitation the execution, delivery and filing of financing statements, continuation statements, affidavits or other security instruments and agreements necessary to perfect, confirm and continue in effect the lien of this Deed of Trust with respect to the Deed of Trust Property; and

(i) to generally do, execute, and perform any other act, deed, matter or thing whatsoever that ought to be done, executed and performed in and about or with respect to the Deed of Trust Property, as fully as Grantor might do;

provided, however, that neither the foregoing nor any other provision of this Deed of Trust shall operate to place upon Beneficiary any responsibility or obligation to take any of the above actions or any action whatsoever with respect to the operation, control, care, management or repair of the Deed of Trust Property, and that any action taken or failure or refusal to act by Beneficiary under this Deed of Trust shall be at Beneficiary's election and without any liability on its part.

8.4 Grantor Remains Liable: Anything herein to the contrary notwithstanding:

(a) Grantor shall remain liable under the Leases to the extent set forth therein to perform all of its duties and obligations thereunder to the same extent as if this Deed of Trust had not been executed;

(b) the exercise by the Beneficiary of any of the rights hereunder shall not release the Grantor from any of its duties or obligations under any of the Leases; and

(c) the Beneficiary shall not have any obligation or liability under any of the Leases to any person or entity under this Deed of Trust nor shall the Beneficiary be obligated to perform any of the obligations or duties of the Grantor thereunder or to take any action to collect or enforce any claims thereunder.

8.5 Grantor's Representations and Warranties: Grantor represents and warrants that:

(a) Grantor (i) owns a valid Leasehold Estate in the Land, (ii) other than the fee estate of the Ground Lessor, owns all of the beneficial and equitable interest in and to the Real Property, and (iii) is lawfully seized and possessed of the Real Property. The Real Property is subject to no Encumbrances other than Permitted Liens.

(b) Grantor has good title to the Collateral, and the Collateral is not subject to any Encumbrance other than Permitted Liens. None of the Leases or Rents are subject to any Encumbrance other than Permitted Liens.

(c) No Rents, nor any part thereof, becoming due subsequent to the date hereof have been collected with respect to the Leases (excepting an amount not exceeding one month's installment under the Leases), nor has payment of any of the same been anticipated, waived, released, discounted or otherwise discharged or compromised.

(d) This Deed of Trust creates a valid security interest in the Collateral as security for the payment and performance of the Obligations. Upon the filing of financing statements (the "Financing Statements") under the UCC naming the Grantor as debtor and the Beneficiary as secured party and covering the Collateral, such security interests shall be perfected under the UCC and such security interests are not subject to any prior lien, or to any agreement purporting to grant to any Person, other than the Beneficiary, a security interest in any of the Collateral, in each case other than with respect to Permitted Liens. No further filings, recordings or other actions are necessary to perfect or maintain the priority of such security interests other than the filing of UCC continuation statements on or prior to the date required by applicable Laws. The Financing Statements are in appropriate form and have been duly filed pursuant to the UCC.

(e) The chief place of business and chief executive office of the Grantor are located at the address first specified above for the Grantor.

(f) Each of the Leases, as amended to the date of execution and delivery hereof, true and complete copies of which have been delivered to the Beneficiary, has been duly authorized, executed and delivered by Grantor (and to Grantor's knowledge all other parties thereto) and is in full force and effect and binding upon and enforceable against Grantor and, to Grantor's knowledge, against the other parties thereto, in accordance with its terms. No event has occurred and is continuing, or will occur as a result of the performance of this Deed of Trust, that constitutes or would constitute any material event of default under any of the Leases or would constitute such an event of default but for the requirement that notice be given or time lapse or both.

(g) The Land is assessed for purposes of property assessments as a separate and distinct parcel from any other property, such that the Land shall never become subject to the Lien of any property assessments levied or assessed against any property other than the Land.

(h) Except as contemplated by Permitted Liens, no buildings or other improvements located on property not covered by this Deed of Trust rely on the Real Property or any interest therein to fulfill any requirement of any Governmental Authority for the existence of such property, building or improvements; and none of the Real Property relies, or will rely, on any property not covered by this Deed of Trust or any interest therein to fulfill any requirement of any Governmental Authority. The Real Property has been properly subdivided from all other property in accordance with the requirements of any applicable Governmental Authorities.

(i) The existing Improvements were constructed, and are being used and maintained, in accordance with all applicable Laws, including zoning Laws, except where the failure to do so could not reasonably be expected to have a Material Adverse Effect.

8.6 Grantor's Covenants: In addition to Grantor's obligations in Section 4.10, Grantor covenants and agrees with respect to the Leases that:

(a) The Grantor will perform and observe each of its material obligations under the terms of the Leases now or hereafter in effect (except when the amount or validity of such obligations is being contested in good faith) and will cause the other parties thereto to comply with their obligations thereunder.

(b) The Grantor will, upon the reasonable written request by Beneficiary, while this Deed of Trust and the Assignment remain in force and effect, serve written notices of this Deed of

Trust and the Assignment upon any lessor or lessee, sublessee, licensee, or other occupant of any portion of the Deed of Trust Property or include among the written provisions of any instrument hereafter creating any such lease, sublease, license, or right of occupancy specific reference to this Deed of Trust and the Assignment, and make, execute and deliver all such powers of attorney or instrument of pledge or assignment, and such other instrument or documents as Beneficiary may reasonably request at any time for the purpose of securing its rights hereunder.

(c) The Grantor will furnish to Beneficiary, promptly following demand, true copies of all Leases hereafter executed and true copies of each agreement or letter effecting the renewal, amendment or modification of any Lease; and in each case after request by the Beneficiary, furnish to the Beneficiary promptly following receipt thereof copies of all notices, requests and other documents received by the Grantor under or pursuant to the Leases during the term of each of the Leases and from time to time (i) furnish to Beneficiary such information and reports regarding the Leases as the Beneficiary may reasonably request, and (ii) promptly following request of the Beneficiary make such demands and requests for information or action upon such person, firm, corporation, or other entity as the Grantor is entitled to make under the Leases.

(d) The Grantor will cause the security interest in the Collateral to remain a continuously perfected, first priority security interest free and clear of any liens (other than Permitted Liens), and from time to time, at its own expense, the Grantor will promptly execute and deliver all further instruments and documents and take all further action, that may be necessary or desirable, or that the Beneficiary may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Beneficiary to otherwise enforce its rights and remedies hereunder with respect to such Collateral. Without limiting the generality of the foregoing or of Section 4.3 hereof, the Grantor will: (i) execute and file such financing or continuation statements, or amendments thereto, and such other collateral assignments, security agreements, instruments or notices, as may be necessary or desirable, or as the Beneficiary may reasonably request, in order to perfect and preserve the security interests granted or purported to be granted hereby, and (ii) defend the title to the Collateral and the Beneficiary's Lien thereon and security interest therein against the claim of any person, firm, corporation, or other entity claiming against or through the Grantor and will maintain and preserve such lien and security interest so long as this Deed of Trust shall remain in effect.

(e) The Grantor authorizes the Beneficiary to file one or more financing or continuation statements, and amendments thereto, relative to all or any part of the Collateral without the signature of the Grantor where permitted by applicable Laws.

(f) The Grantor will furnish to the Beneficiary from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Beneficiary may reasonably request, all in reasonable detail.

(g) Prior to approving, pursuant to rights set forth in any Lease, (i) any change in use of the Deed of Trust Property from an automobile dealership or automobile service center or substantially similar or ancillary use, or (ii) any mortgage, Lien or encumbrance encumbering any leasehold interest in the Deed of Trust Property or a transfer of any such leasehold interest, the Grantor will obtain the prior written approval of the Beneficiary to such change in use or to such mortgage, Lien, encumbrance or transfer, such approval of Beneficiary to be granted or withheld in its sole and absolute discretion. In the event Beneficiary does not approve such change in use or such mortgage, Lien, encumbrance or transfer, the Grantor shall accordingly not approve the same.

(h) The Grantor will obtain a written agreement, in form and substance satisfactory to Beneficiary, from the tenant under any Lease acknowledging the rights of Beneficiary hereunder and the right of Beneficiary (or any purchaser of the Deed of Trust Property at a foreclosure sale or thereafter) to terminate such Lease following the foreclosure of the Deed of Trust Property related to such Lease.

8.7 Effect of Release of Deed of Trust Property: The Grantor hereby consents to, and hereby agrees that the rights of the Beneficiary and the security interests hereunder, and the obligations of the Grantor hereunder, to the fullest extent permitted by applicable Laws, shall not be affected by any and all releases of any of the Deed of Trust Property from the liens or security interests created by this Deed of Trust or otherwise, whether for purposes of sales or other dispositions of assets or for some other purpose, except to the extent expressly provided herein, by any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness secured hereby, or subordinating, modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof, each such agreement to be in writing to be binding and effective, by exercising or refraining from exercising or waiving any right Beneficiary may have hereunder, or by accepting additional security of any kind or additional parties to the Obligations secured hereby or instruments creating or evidencing such.

8.8 HOLD HARMLESS: WITHOUT LIMITATION OF THE INDEMNITY SET FORTH IN SECTION 11.15, GRANTOR HEREBY AGREES TO INDEMNIFY AND HOLD THE INDEMNIFIED PARTIES HARMLESS (A) AGAINST AND FROM ANY AND ALL LIABILITY, LOSS, DAMAGE AND EXPENSE, INCLUDING REASONABLE ATTORNEYS' FEES, WHICH ANY INDEMNIFIED PARTY MAY OR SHALL INCUR UNDER OR IN CONNECTION WITH THE EXERCISE BY BENEFICIARY OF ITS RIGHTS HEREUNDER IN RESPECT OF ANY OF THE LEASES, OR BY REASON OF ANY ACTION TAKEN OR EXPENSES PAID OR INCURRED BY BENEFICIARY UNDER AND IN ACCORDANCE WITH THE TERMS OF THIS DEED OF TRUST, AND (B) AGAINST AND FROM ANY AND ALL CLAIMS AND DEMANDS WHATSOEVER WHICH MAY BE ASSERTED AGAINST GRANTOR BY REASON OF ANY ALLEGED OBLIGATIONS OR UNDERTAKING ON ITS PART TO PERFORM OR DISCHARGE ANY OF THE TERMS, COVENANTS AND CONDITIONS CONTAINED IN ANY OF THE LEASES, EXCEPT TO THE EXTENT THAT SUCH CLAIM, DAMAGE, LOSS, LIABILITY OR EXPENSE IS FOUND IN A FINAL, NONAPPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNIFIED PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. SHOULD BENEFICIARY PAY OR INCUR ANY SUCH LIABILITY, LOSS, DAMAGE OR EXPENSE, SUBJECT TO THE LIMITATION IN THE PRECEDING SENTENCE, THE AMOUNT THEREOF, TOGETHER WITH INTEREST THEREON FROM THE DATE OF SUCH PAYMENT AT THE DEFAULT RATE, SHALL BE PAYABLE BY GRANTOR TO BENEFICIARY IMMEDIATELY UPON DEMAND THEREFOR; AND UNTIL SO PAID BY GRANTOR, ALL SUMS SO EXPENDED BY BENEFICIARY, AND INTEREST THEREON, SHALL BE ADDED TO THE OBLIGATIONS AND SECURED BY THE LIEN AND LEGAL OPERATION AND EFFECT OF THIS DEED OF TRUST. AT ITS OPTION, BENEFICIARY MAY REIMBURSE ITSELF THEREFOR OUT OF ANY RENTS WHICH IT HAS COLLECTED OR MAY COLLECT. THE FOREGOING INDEMNITY APPLIES TO INDEMNIFIED MATTERS THAT IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF THE NEGLIGENCE OF AN INDEMNIFIED PARTY BUT NOT TO A PARTICULAR INDEMNIFIED PARTY TO THE EXTENT THAT THE SUBJECT OF THE INDEMNIFICATION IS CAUSED BY OR ARISES OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY.

8.9 Grant of Security (Ground Lease). The Grantor intends that this Deed of Trust constitutes a transfer in trust of all of Grantor's right, title, and interest in and to the Ground Lease to secure Grantor's prompt payment and performance of the Obligations. In the event that it is determined that this Deed of Trust is ineffective as a mortgage deed of trust, then Grantor shall be granted a security interest in all right, title, and interest in and to the Ground Lease and the Leasehold Estate.

ARTICLE IX

CONCERNING THE TRUSTEE

9.1 No Required Action: Trustee shall not be required to take any action toward the execution and enforcement of the trust hereby created or to institute, appear in or defend any action, suit or other proceeding in connection therewith where in Trustee's opinion such action will be likely to involve Trustee in expense or liability, unless requested to do so by a written instrument signed by Beneficiary and, if Trustee so requests, unless Trustee is tendered security and indemnity satisfactory to Trustee against any and all costs, expense and liabilities arising therefrom. Trustee shall not be responsible for the execution, acknowledgment or validity of the Loan Documents or for the proper authorization thereof, or for the sufficiency of the lien and security interest purported to be created hereby, and makes no representation in respect thereof or in respect of the rights, remedies and recourses of Beneficiary.

9.2 Certain Rights: With the approval of Beneficiary, Trustee shall have the right to take any and all of the following actions: (a) to select, employ and consult with counsel (who may be, but need not be, counsel for Beneficiary) upon any matters arising hereunder, including the preparation, execution and interpretation of the Loan Documents, and shall be fully protected in relying as to legal matters on the advice of counsel; and (b) to execute any of the trusts and powers hereof and to perform any duty hereunder either directly or through its agents or attorneys (other than the conducting of any non-judicial sale pursuant to the power of sale set forth herein). Trustee shall have the right to rely on any instrument, document or signature authorizing or supporting any action taken or proposed to be taken by it hereunder believed by it in good faith to be genuine. Trustee shall be entitled to reimbursement for reasonable expenses incurred by it in the performance of its duties hereunder and to reasonable compensation for such of its services hereunder as shall be rendered. Grantor will, from time to time, pay the reasonable compensation due to Trustee hereunder and reimburse Trustee for, and save it harmless against, any and all liability and expenses which may be incurred by it in the performance of its duties.

9.3 Retention of Moneys: 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 Laws) and Trustee shall be under no liability for interest on any moneys received by it hereunder.

9.4 Successor Trustees: Trustee may resign by the giving of sixty (60) days written notice of such resignation in recordable form to Beneficiary. If Trustee shall resign or become disqualified from acting in the execution of this trust, or shall fail or refuse to execute the same when requested by Beneficiary so to do, or if, for any reason and without cause, Beneficiary shall prefer to appoint a substitute trustee or trustees to act instead of the aforementioned Trustee, or any successor or substitute trustee, Beneficiary shall have full power to appoint a substitute trustee or trustees and, if preferred, several substitute trustees in succession who shall succeed to all the estates, properties, rights, powers and duties of the aforementioned Trustee. Such appointment may be executed by any authorized agent or officer of Beneficiary, and if such Beneficiary be a corporation and such appointment be executed in its behalf by any officer of such corporation, such appointment shall be conclusively presumed to be executed with authority and shall be

valid and sufficient without proof of any action by the Board of Directors or any superior officer of the corporation. Such appointment shall be duly recorded in the appropriate real estate records at any time before or, if permitted by applicable law, upon sale of Deed of Trust Property by the successor appointed thereby. Grantor hereby ratifies and confirms any and all acts which the aforementioned Trustee, or Trustee's successor or successors in this trust, lawfully does by virtue hereof. Grantor shall reimburse Beneficiary and/or Trustee for any Expenses incurred pursuant to the provisions of this Section 9.4.

9.5 Perfection of Appointment: Should any deed, conveyance or instrument of any nature be required from Grantor by any successor Trustee to more fully and certainly vest in and confirm to such new Trustee such estates, rights, powers and duties, then, upon request by such 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 Grantor and Grantor shall pay for any Expenses incurred by Trustee pursuant to this Section 9.5.

9.6 Succession Instruments: Any new 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 predecessor in the rights hereunder with like effect as if originally named as Trustee herein; but nevertheless, upon the written request of Beneficiary or of the successor Trustee, the Trustee ceasing to act shall execute and deliver an instrument in recordable form transferring to such successor Trustee, upon the trusts herein expressed, all the estates, properties, rights, powers and trusts of the Trustee so ceasing to act, and shall duly assign, transfer and deliver any of the property and moneys held by such Trustee to the successor Trustee so appointed in its place.

9.7 No Representation by Trustee: By accepting or approving anything required to be observed, performed or fulfilled or to be given to Trustee or Beneficiary pursuant to the Loan Documents, including but not limited to, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal or insurance policy, neither Trustee nor Beneficiary shall be deemed to have warranted, consented to, or affirmed the sufficiency, legality, effectiveness or legal effect of the same, or of any term, provision or condition thereof, and such acceptance or approval thereof shall not be or constitute any warranty, consent or affirmation with respect thereto by Trustee or Beneficiary.

ARTICLE X

STATE-SPECIFIC PROVISIONS

10.1 Principles of Construction: In the event of any inconsistencies between the terms and conditions of this Article X and the terms and conditions of this Deed of Trust, the terms and conditions of this Article X shall control and be binding.

10.2 Power of Sale: Grantor acknowledges that the power of sale herein granted may be exercised by Trustee without prior judicial hearing. Grantor has the right to bring an action to assert the non-existence of a breach or any other defense of Grantor to acceleration and sale to the fullest extent permitted by applicable law.

(a) Upon the occurrence and during the continuance of any Event of Default, all sums secured hereby shall become immediately due and payable, without notice or demand, at the option of Beneficiary and Beneficiary may (i) foreclose this deed of trust judicially, in the same manner as a mortgage; (ii) cause the Trustee to exercise its power of sale in accordance with the procedures

set forth herein and in the Deed of Trust Act of the State of Washington RCW 61.24, as now existing or hereafter amended, or (iii) sue on the note or loan agreement according to law. To the extent permitted by applicable laws, including, without limitation RCW 61.24.100, Beneficiary shall have the right to seek and obtain a deficiency judgment following the completion of a judicial foreclosure or a Trustee's sale of all or part of the Deed of Trust Property. If the Trustee invokes the power of sale after notice from Beneficiary of the Beneficiary's election to cause the Deed of Trust Property to be sold, the Trustee shall give, and, as required, record, all notices as the laws of the State of Washington may require to the Grantor and Guarantor and to such other persons as the laws of the State of Washington prescribe, and after the lapse of such time as may be required by applicable law, the Trustee shall sell the Deed of Trust Property according to the laws of the State of Washington. The Trustee may sell the Deed of Trust Property at the time and place and under the terms designated in the notice of sale, as provided by statute, in one or more parcels and in such order as the Trustee may determine and as permitted by applicable law, at public auction to the highest and best bidder for cash in lawful money of the United States, payable at the time of the sale. The Trustee may postpone sale of all or any parcel of the Deed of Trust Property, and from time to time thereafter may postpone the sale, as provide by statute. The Beneficiary or the Beneficiary's designee may purchase the Deed of Trust Property at any sale.

(b) The Trustee shall deliver to the purchaser a Trustee's deed conveying the Deed of Trust Property so sold 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. The Trustee shall apply the proceeds of the sale in the following order: (i) to all costs and expenses of the sale, including, but not limited to, the Trustee's and attorney's fees and costs of title evidence; (ii) to all sums secured by this Deed of Trust in such order as the Beneficiary, in the Beneficiary's sole discretion, directs; and (iii) the excess, if any, to the clerk of the superior court of the county in which the sale took place, as provide by statute.

10.3 Non-Agricultural Use; Commercial Loan: The Grantor represents and warrants to the Beneficiary that none of the Deed of Trust Property is presently, or will be, used for agricultural or farming purposes. The loan secured by this Deed of Trust is a "commercial loan" as that term is defined in RCW 61.24.005.

10.4 Reconveyance: Upon payment of all sums secured by this Deed of Trust, the Beneficiary shall request the Trustee to reconvey the Deed of Trust Property and shall surrender this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust to the Trustee. The Trustee shall reconvey the Deed of Trust Property without warranty to the person or persons legally entitled thereto. Such person or persons shall pay the Trustee's reasonable costs incurred in so reconveying the Deed of Trust Property.

10.5 ORAL AGREEMENT: ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, MODIFY, OR AMEND ANY TERMS OF THE LOAN DOCUMENTS, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT OR EXERCISE ANY REMEDY UNDER THE LOAN DOCUMENTS OR MAKE ANY OTHER FINANCIAL ACCOMMODATIONS, ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

10.6 Waiver of Immunity; Beneficiary Indemnification: With respect to any contractual matters that Grantor establishes in any action within the scope of RCW Section 4.24.115, Grantor expressly (a) waives Grantor's immunity under RCW Title 51 and acknowledges that such waiver was mutually negotiated by the parties and (b) agrees to indemnify Beneficiary. The scope of this indemnity shall be

limited with regard to damages for bodily injury to persons or damage to Deed of Trust Property resulting from the concurrent negligence of Grantor or Grantor's agents or employees and of Beneficiary or Beneficiary's agents or employees, as to which Grantor agrees to indemnify Beneficiary to the extent of the negligence of Grantor or Grantor's agents or employees. Nothing in this Section 10.6 shall be deemed to require Grantor to indemnify Beneficiary against the sole or concurrent negligence of Beneficiary or Beneficiary's agents or employees if such indemnity would be prohibited under RCW Section 4.24.115. The parties intend that under indemnity provisions in this Section 10.6, unless otherwise expressly limited in this Section 10.6, Grantor shall indemnify Beneficiary to the fullest extent not prohibited by law, including, without limitation, in the event of the sole or concurrent negligence of Beneficiary or of any other person or entity.

10.7 Assignment of Leases and Rents: The assignment of leases, rents, income and profits set forth in this Deed of Trust is intended to be specific, perfected and choate upon recording as provided in RCW 7.28.230(3).

ARTICLE XI

MISCELLANEOUS

11.1 Performance at Grantor's Expense: The cost and expense of performing or complying with any and all of the Obligations shall be borne solely by Grantor, and no portion of such cost and expense shall be, in any way or to any extent, credited against any installment on or portion of the Obligations which may be payable by Grantor.

11.2 Survival of Obligations: Each and all of the Obligations shall survive the execution and delivery of the Loan Documents and the consummation of the loans called for therein and shall continue in full force and effect with respect to Grantor until the Obligations have been paid, performed and satisfied in full.

11.3 Further Assurances: Grantor, upon the request of Beneficiary, will execute, acknowledge, and record and/or file such further instruments and do such further acts as may be reasonably necessary, desirable or proper to carry out more effectively the purpose of this Deed of Trust and to subject to the liens and security interests thereof any property intended by the terms thereof to be covered thereby, including specifically but without limitation, any renewals, additions, substitutions, replacements, betterments or appurtenances to the then Deed of Trust Property.

11.4 Recording and Filing: Grantor will cause this Deed of Trust and all amendments and supplements thereto and supplements therefor to be recorded, filed, re-recorded and refiled in such manner and in such places as required by applicable Laws or as Beneficiary shall reasonably request, and will pay all such recording, filing, re-recording and re-filing taxes, fees and other charges.

11.5 Notices: Except as may otherwise be required by applicable law in connection with a non-judicial foreclosure sale hereunder, all notices and other communications that any party desires or is required to give in connection with this Deed of Trust shall be in writing and shall be deemed sufficiently given or furnished if delivered in accordance with the terms of the Loan Agreement.

11.6 No Waiver; Remedies: The Beneficiary's failure, at any time or times hereafter, to require strict performance by the Grantor of any provision of this Deed of Trust shall not waive, affect or diminish any right of the Beneficiary thereafter to demand strict compliance and performance therewith, and the

Beneficiary's single or partial exercise of any right, remedy, power or privilege hereunder shall not preclude any other or further exercise thereof or the exercise of any other right, remedy, power, or privilege. The rights, remedies, powers or privileges herein provided are cumulative and not exclusive of any rights, remedies, powers or privileges provided by applicable Laws. Any suspension or waiver by the Beneficiary of a default by the Grantor under this Deed of Trust, the Loan Agreement or any other Loan Document shall not suspend, waive or affect any other default thereunder, whether the same is prior or subsequent thereto and whether of the same or of a different kind of character. None of the undertakings, agreements, warranties, covenants and representations of the Grantor contained in this Deed of Trust and no default by the Grantor under this Deed of Trust shall be deemed to have been suspended or waived unless such suspension or waiver is in writing signed by an officer of the Beneficiary, and directed to the Grantor specifying such suspension or waiver.

11.7 Beneficiary's and Secured Creditors' Right to Perform the Obligations:

(a) If Grantor shall fail, refuse or neglect to make any payment or perform any act required of it by this Deed of Trust (including the Grantor's obligation under Section 4.3 hereof to defend the first lien status of this Deed of Trust), then at any time thereafter, subject to Grantor's right to contest any such matter as expressly set forth in this Deed of Trust or the Loan Agreement, upon reasonable notice to Grantor and without waiving or releasing any other right, remedy or recourse Beneficiary may have because of same, Beneficiary may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Grantor, and shall have the right to enter upon or in the Land and Improvements, in person or by appointment of a receiver, for such purpose and to take all such action thereon and with respect to the Deed of Trust Property as it may deem reasonably necessary or appropriate. In its exercise of its rights under this Section 11.7, if Beneficiary shall elect to pay any Imposition or other sums due with reference to the Deed of Trust Property, Beneficiary may do so in reliance on any bill, statement or assessment procured from the appropriate Governmental Authority or other issuer thereof without inquiring into the accuracy or validity thereof subject to any other applicable terms and provisions set forth herein. Similarly, in making any payments to protect the security intended to be created by this Deed of Trust, Beneficiary shall not be bound to inquire into the validity of any apparent or threatened adverse title, lien, encumbrance, claim or charge before making an advance for the purpose of preventing or removing the same subject to any other applicable terms and provisions set forth herein. No entry by Beneficiary on the Land or any other portion of the Deed of Trust Property pursuant to any provision of this Deed of Trust, whether in person or by the appointment of a receiver, shall be deemed to make Beneficiary a mortgagee in possession or to otherwise impose on Beneficiary any obligation or liability for or with respect to the Deed of Trust Property. **GRANTOR SHALL INDEMNIFY BENEFICIARY FOR ALL LOSSES, EXPENSES, DAMAGE, CLAIMS AND CAUSES OF ACTION, INCLUDING REASONABLE ATTORNEY'S FEES, INCURRED OR ACCRUING BY REASON OF ANY ACTS PERFORMED BY BENEFICIARY PURSUANT TO THE PROVISIONS OF THIS SECTION 11.7, EXCEPT TO THE EXTENT THAT SUCH CLAIM, DAMAGE, LOSS, LIABILITY OR EXPENSE IS FOUND IN A FINAL, NONAPPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM BENEFICIARY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. ALL SUMS PAID BY BENEFICIARY PURSUANT TO THIS SECTION 11.7 AND ALL OTHER SUMS EXPENDED BY BENEFICIARY TO WHICH IT SHALL BE ENTITLED TO BE INDEMNIFIED, TOGETHER WITH INTEREST THEREON AT THE DEFAULT RATE FROM THE DATE OF SUCH PAYMENT OR EXPENDITURE, SHALL CONSTITUTE**

ADDITIONS TO THE OBLIGATIONS, AND SHALL BE SECURED BY THIS DEED OF TRUST AND GRANTOR COVENANTS AND AGREES TO PAY THEM TO THE ORDER OF BENEFICIARY UPON DEMAND. THE FOREGOING INDEMNITY APPLIES TO INDEMNIFIED MATTERS THAT IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF THE NEGLIGENCE OF AN INDEMNIFIED PARTY BUT NOT TO A PARTICULAR INDEMNIFIED PARTY TO THE EXTENT THAT THE SUBJECT OF THE INDEMNIFICATION IS FOUND IN A FINAL, NONAPPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY.

(b) Any reference in this Deed of Trust to amounts advanced by or owed to Beneficiary shall be deemed to refer equally to amounts advanced by or owed to the Secured Creditors, and wherever Beneficiary is required or permitted to advance funds, such funds may be advanced by the Secured Creditors with the same effect as if advanced by Beneficiary.

11.8 Covenants Running with the Land: All provisions of this Deed of Trust are intended by the parties to be, and shall be construed as, covenants running with the Deed of Trust Property until such Deed of Trust Property has been released from the lien of this Deed of Trust.

11.9 Successors and Assigns: All of the terms of this Deed of Trust shall apply to, be binding upon and inure to the benefit of Grantor and Beneficiary and their respective successors and assigns.

11.10 Severability: This Deed of Trust is intended to be performed in accordance with, and only to the extent permitted by, applicable Laws. If any provision of this Deed of Trust or the application thereof to any person or circumstance shall, for any reasons and to any extent, be invalid or unenforceable, then neither the remainder of this Deed of Trust nor the application of such provision to other persons or circumstances nor the other instruments referred to above shall be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable Laws.

11.11 Entire Agreement and Modification: The Loan Agreement, this Deed of Trust, and the other Loan Documents contain the entire agreement between the parties relating to the subject matter hereof and thereof and all prior agreements relative thereto which are not contained herein or therein are terminated. This Deed of Trust may not be amended, revised, waived, discharged, released or terminated orally but only by a written instrument or instruments executed by the party against which enforcement of the amendment, revision, waiver, discharge, release or termination is asserted. Any alleged amendment, revision, waiver, discharge, release or termination which is not so documented shall not be effective as to any party.

11.12 APPLICABLE LAW: THE PARTIES TO THIS DEED OF TRUST AGREE THAT THEIR RIGHTS AND OBLIGATIONS UNDER THIS DEED OF TRUST SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, WITHOUT GIVING EFFECT TO THE CONFLICTS-OF-LAW RULES AND PRINCIPLES THEREOF. NOTWITHSTANDING THE FOREGOING, THE PARTIES AGREE THAT:

(A) THE PROCEDURES GOVERNING LIEN CREATION, PERFECTION AND ENFORCEMENT BY BENEFICIARY OF THE REMEDIES AGAINST GRANTOR, INCLUDING BY WAY OF ILLUSTRATION BUT NOT LIMITATION, ACTIONS FOR REPLEVIN, FOR CLAIM AND DELIVERY OF PROPERTY, FOR INJUNCTIVE RELIEF OR

FOR THE APPOINTMENT OF A RECEIVER AND THE REQUIREMENTS NECESSARY TO CREATE OR GRANT, PERFECT OR FORECLOSE ON, OR DETERMINE THE PRIORITY OF, THE LIEN AND SECURITY INTEREST OF THIS DEED OF TRUST, SHALL BE GOVERNED BY THE LAWS OF THE STATE IN WHICH THE DEED OF TRUST PROPERTY IS LOCATED;

(B) OTHER THAN AS SET FORTH IN SUBSECTION (A) ABOVE, TRUSTEE AND BENEFICIARY SHALL COMPLY WITH THE APPLICABLE LAWS OF THE STATE IN WHICH THE DEED OF TRUST PROPERTY IS LOCATED, TO THE EXTENT REQUIRED IN CONNECTION WITH THE POWER OF SALE OR THE FORECLOSURE OF THE SECURITY INTERESTS AND LIENS CREATED HEREBY, PROVIDED, HOWEVER, THAT THIS SUBSECTION SHALL IN NO EVENT BE CONSTRUED TO PROVIDE THAT THE SUBSTANTIVE LAWS OF SUCH STATE SHALL APPLY TO THE OBLIGATIONS SECURED BY THIS DEED OF TRUST WHICH ARE AND SHALL CONTINUE TO BE GOVERNED BY THE SUBSTANTIVE LAWS OF THE STATE OF NEW YORK. THE PARTIES FURTHER AGREE THAT, TO THE EXTENT PERMITTED BY APPLICABLE LEGAL REQUIREMENTS, BENEFICIARY MAY ENFORCE ITS RIGHTS UNDER THIS DEED OF TRUST AND THE LOAN DOCUMENTS, INCLUDING BUT NOT LIMITED TO, ITS RIGHT TO SUE ANY LOAN PARTY, TO COLLECT ANY OUTSTANDING OBLIGATIONS OR TO OBTAIN A JUDGMENT FOR ANY DEFICIENCY FOLLOWING FORECLOSURE, IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK; AND

(C) GRANTOR HEREBY ACKNOWLEDGES, WARRANTS AND REPRESENTS THAT IT IS SOPHISTICATED, KNOWLEDGEABLE AND EXPERIENCED IN COMMERCIAL TRANSACTIONS SIMILAR TO THE TRANSACTION EMBODIED IN THIS DEED OF TRUST AND THE LOAN DOCUMENTS; IT AND THE OTHER LOAN PARTIES HAVE BEEN FULLY, COMPLETELY AND ADEQUATELY REPRESENTED AND ADVISED BY COMPETENT COUNSEL AND OTHER CONSULTANTS RETAINED FOR SUCH PURPOSES IN CONNECTION WITH ALL ASPECTS (INCLUDING BUSINESS AND LEGAL) OF THE TRANSACTIONS UNDER THIS DEED OF TRUST AND THE LOAN DOCUMENTS; ALL PARTIES TO SUCH TRANSACTION HAVE EQUAL BARGAINING STRENGTH; AND, BASED ON THE FOREGOING, THE PARTIES HAVE SELECTED THE LAW OF THE STATE OF NEW YORK TO GOVERN THIS DEED OF TRUST AND THE LOAN DOCUMENTS AS HEREIN OR THEREIN SPECIFIED.

11.13 No Partnership; Control in Grantor: Except to the extent occurring as a matter of law (a) nothing contained in this Deed of Trust is intended to, or shall be construed as, creating to any extent and in any manner whatsoever, any partnership, joint venture, or association between Grantor and Beneficiary, or in any way make Beneficiary co-principal with Grantor with reference to all or any portion of the Deed of Trust Property, and any inferences to the contrary are hereby expressly negated; (b) notwithstanding anything contained herein which may be to the contrary, this Deed of Trust, the Loan Documents, any agreement, deed of trust or other document referred to herein by reference, whether specifically or generally, and the transactions contemplated hereby do not and will not constitute or create indirect, actual or practical ownership of the Deed of Trust Property or Grantor by Beneficiary, or control, affirmative or negative, direct or indirect, by Beneficiary over the programming, management, or any other aspect of the day-to-day operation of the Deed of Trust Property or Grantor, which control remains in Grantor, its shareholders and board of directors; and (c) Beneficiary's activities in connection with this

Deed of Trust and the Loan Documents shall not be “outside the scope of the activities of a lender of money” within the meaning of any applicable statutes, as amended or recodified from time to time, and Beneficiary does not intend to ever assume any responsibility to any person for the quality, suitability, safety or condition of the Deed of Trust Property. Beneficiary shall not be directly or indirectly liable or responsible for any loss, claim, cause of action, liability, indebtedness, damage or injury of any kind or character to any person or property arising from any construction, or occupancy or use of, any of the Deed of Trust Property, whether caused by or arising from: (i) any defect in any building, structure, grading, fill, landscaping or other improvements thereon or in any on-site or off-site improvement or other facility therein or thereon; (ii) any act or omission of Grantor or any of its agents, employees, independent contractors, licensees or invitees; (iii) any accident in or on any of the Deed of Trust Property or any fire, flood or other casualty or hazard thereon; (iv) the failure of Grantor, any of its licensees, employees, invitees, agents, independent contractors or other representatives to maintain the Deed of Trust Property in a safe condition; and (v) any nuisance made or suffered on any part of the Deed of Trust Property.

11.14 Headings: The Article, Section and Subsection titles hereof are inserted for convenience of reference only and shall in no way alter, modify or define, or be used in construing, the text of such Articles, Sections or Subsections.

11.15 Hold Harmless: NEITHER TRUSTEE, BENEFICIARY NOR ANY SECURED CREDITORS SHALL BE OBLIGATED TO PERFORM OR DISCHARGE, NOR DO ANY OF THEM HEREBY UNDERTAKE TO PERFORM OR DISCHARGE, ANY OBLIGATION, DUTY OR LIABILITY WITH RESPECT TO THE DEED OF TRUST PROPERTY UNDER OR BY REASON OF THIS DEED OF TRUST OR ANY OF THE LOAN DOCUMENTS, AND GRANTOR SHALL AND DOES HEREBY AGREE TO INDEMNIFY TRUSTEE, BENEFICIARY AND EACH SECURED CREDITOR FOR AND TO HOLD TRUSTEE, BENEFICIARY AND EACH SECURED CREDITOR HARMLESS FROM ANY AND ALL LIABILITY, LOSS OR DAMAGE WHICH THEY MAY OR MIGHT INCUR WITH RESPECT TO THE DEED OF TRUST PROPERTY OR UNDER OR BY REASON OF THIS DEED OF TRUST OR ANY OF THE LOAN DOCUMENTS AND FROM ANY AND ALL CLAIMS AND DEMANDS WHATSOEVER WHICH MAY BE ASSERTED AGAINST THEM BY REASON OF ANY ALLEGED OBLIGATIONS OR UNDERTAKINGS ON THEIR PART TO PERFORM OR DISCHARGE ANY OF THE TERMS, COVENANTS, OR AGREEMENTS RELATING TO THE DEED OF TRUST PROPERTY, EXCEPT TO THE EXTENT THAT SUCH CLAIM, DAMAGE, LOSS, LIABILITY OR EXPENSE IS FOUND IN A FINAL, NONAPPEALABLE JUDGMENT BY A COURT OF COMPETENT JURISDICTION TO HAVE RESULTED FROM SUCH INDEMNIFIED PARTY'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT. SHOULD TRUSTEE, BENEFICIARY OR ANY SECURED CREDITOR INCUR ANY SUCH LIABILITY, LOSS OR DAMAGE, THE AMOUNT THEREOF, INCLUDING ALL ATTORNEYS' FEES AND COSTS AND EXPENSES ASSOCIATED WITH ACTIONS TAKEN BY TRUSTEE BENEFICIARY OR ANY SUCH SECURED CREDITOR IN DEFENSE THEREOF, OR OTHERWISE IN PROTECTING THEIR INTERESTS HEREUNDER, SHALL BE SECURED HEREBY, AND GRANTOR COVENANTS AND AGREES TO REIMBURSE TRUSTEE BENEFICIARY OR ANY SUCH SECURED CREDITOR THEREFOR IMMEDIATELY UPON DEMAND. THE FOREGOING INDEMNITY APPLIES TO INDEMNIFIED MATTERS THAT IN WHOLE OR IN PART ARE CAUSED BY OR ARISE OUT OF THE NEGLIGENCE OF AN INDEMNIFIED PARTY BUT NOT TO A PARTICULAR INDEMNIFIED PARTY TO THE EXTENT THAT THE SUBJECT OF THE INDEMNIFICATION IS CAUSED BY OR ARISES OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SUCH INDEMNIFIED PARTY.

11.16 Pronouns and Plurals: All pronouns used herein shall be deemed to refer to the masculine, feminine, neuter, singular or plural as the context may require, and the singular form of nouns, pronouns and verbs shall include the plural, and vice versa, whichever the context may require.

11.17 WAIVER OF TRIAL BY JURY: TO THE EXTENT PERMITTED UNDER THE LAWS OF THE STATE IN WHICH THE DEED OF TRUST PROPERTY IS SITUATED, GRANTOR AND THE BENEFICIARY EACH HEREBY WAIVES AND SHALL WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS DEED OF TRUST.

11.18 Assignment: Beneficiary may assign or transfer all or any portion of its rights under this Deed of Trust, in which event Beneficiary shall be relieved from further liability hereunder as set forth in Section 9.14 of the Loan Agreement.

11.19 No Merger: So long as this Deed of Trust is an encumbrance upon the Deed of Trust Property, there shall be no merger of the interest of any lessor or any lessee under any Lease or sublease.

11.20 Enforceability of Lien: In the event that any part of the Obligations cannot be lawfully secured by this Deed of Trust, or the lien or security interest hereof cannot be lawfully enforced to pay any part of the Obligations, then and in either such event, at the option of Beneficiary, all payments on the Obligations shall be deemed to have been first applied against the unsecured part of the Obligations.

11.21 Payment of Prior Encumbrances: If any or all of the proceeds of the Obligations have been used to extinguish, extend or renew any indebtedness heretofore existing against the Deed of Trust Property or to satisfy any indebtedness or obligation secured by a lien or encumbrance of any kind (including liens securing the payment of any Impositions), such proceeds have been advanced by Lenders at Borrower's request, and, to the extent of such funds so used, the obligations of this Deed of Trust shall be subrogated to and extend all of the rights, claims, liens, titles and interests heretofore existing against the Deed of Trust Property to secure the indebtedness or obligation so extinguished, paid, extended or renewed, and the former rights, claims, liens, title and interests, if any, shall not be waived but rather shall be continued in full force and effect and in favor of the Beneficiary.

11.22 Replacement of Notes: The Lenders may from time to time be replaced and, accordingly, one or more Notes may from time to time be replaced, in accordance with the Loan Agreement. As the Obligations secured by this Deed of Trust shall remain the same, such replacement of Notes shall not be construed as a novation and shall not affect, diminish or abrogate Grantor's liability under this Deed of Trust or the priority of this Deed of Trust.

[Signatures on following page]

Grantor hereby acknowledges that it has received a copy of this Deed of Trust free of charge.

WITNESS THE EXECUTION BY GRANTOR OF THIS DEED OF TRUST, SECURITY AGREEMENT, FIXTURE FILING, ASSIGNMENT OF LEASES AND RENTS AND FINANCING STATEMENT, by its duly authorized officer, under seal, as of the date first written above.

GRANTOR:

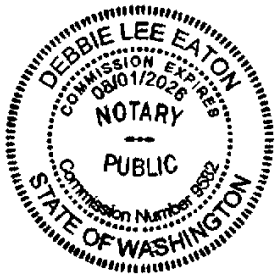
TEAM CORPORATION,
a Washington corporation

By: *Peter Shumway*
Name: Peter Shumway
Title: President

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that PETER SHUMWAY is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the President of TEAM CORPORATION, a Washington corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated this 20th day of May, 2024.



Debbie Lee Eaton
Notary Public in and for the State of Washington
Debbie Lee Eaton
Printed Name
Residing at Mt. Vernon
My appointment expires: 8/1/2026

Skagit County, Washington

EXHIBIT A

Legal Description

Leasehold interest in the following parcel of land, situate in the City of Burlington, County of Skagit, State of Washington:

Lot 25, "AMENDED SKAGIT REGIONAL AIRPORT BINDING SITE PLAN, PHASE 1", as per Plat recorded March 4, 2003 under Auditor's File No. 200303040030, records of Skagit County, Washington.

Tax Parcel Number: 8012-000-025-0000 / P115585 (Land) and
8012-000-025-0100 / P129675 (Building)

Property Address: 11591 Watertank Road, Burlington, WA 98233