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DeSoto County, MS

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DEED OF TRUST, ASSIGNMENT OF LEASES
AND SECURITY AGREEMENT

from

UNITED METHODIST SENIOR SERVICES OF DESOTO COUNTY, INC.

to

JIM B. TOHILL

as Trustee

for the benefit

of

FIRST AMERICAN NATIONAL BANK

Dated as of December 20, 1999

PREPARED BY AND UPON RECORDATION RETURN TO:

Watkins Ludlam Winter & Stennis, P.A.
633 North State Street
Jackson, Mississippi 39202
(601) 949-4900

This instrument is also a fixture filing and should be indexed in the UCC records under the names of the Borrower as "Debtor" and the Lender as "Secured Party". This instrument secures a line of credit to be used for business or commercial purposes. The Maturity Date is December 15, 2009.

THIS DEED OF TRUST, ASSIGNMENT OF LEASES AND SECURITY AGREEMENT is made as of this 20 day of December, 1999, by UNITED METHODIST SENIOR SERVICES OF DESOTO COUNTY, INC., a Mississippi non-profit corporation having an address at 109 south Broadway, P.O. Box 2514, Tupelo, Mississippi 38803 ("Borrower"), to JIM B. TOHILL, not individually but as Trustee, having an address at 633 North State Street, Jackson, Mississippi 39202 ("Trustee"), for the benefit of FIRST AMERICAN NATIONAL BANK, a national banking association, having an address at One Deposit Guaranty Plaza, Jackson, Mississippi 39201 ("Lender").

W I T N E S S E T H:

WHEREAS, United Methodist Senior Services of Mississippi, Inc., a Mississippi non-profit corporation ("UMSSM"), Seashore Personal Care Center, Inc., a Mississippi non-profit corporation ("Seashore"), United Methodist Senior Services of Clarksdale Area, Inc., a Mississippi non-profit corporation ("UMSSC"), United Methodist Senior Services of Golden Triangle Area, Inc. a Mississippi non-profit corporation ("UMSSGT"), United Methodist Senior Services of DeSoto County, Inc. a Mississippi non-profit corporation ("UMSSDC"), United Methodist Senior Services of Jackson Area, Inc. a Mississippi non-profit corporation ("UMSSJA") and Aldersgate Personal Care Center, Inc., a Mississippi non-profit corporation ("Aldersgate", and together with UMSSM, Seashore, UMSSCA, UMSSGT, UMSSDC, and UMSSJA, the "Borrowers") and Lender have entered into a Letter of Credit Agreement dated as of December 1, 1999 (the "LOC Agreement"); and,

WHEREAS, UMSSM has requested Mississippi Business Finance Corporation (the "Issuer") to issue \$20,950,000 in aggregate principal amount of its Revenue Refunding Bonds (United Methodist Senior Services of Mississippi, Inc. Project), Series 1999A (the "Series 1999A Bonds") and \$275,000 in aggregate principal amount of its Taxable Revenue Refunding Bonds (United Methodist Senior Services of Mississippi, Inc. Project), Series 1999B (the "Series 1999B Bonds") pursuant to a Trust Indenture, dated as of December 1, 1999 (the "Indenture"), by and between the Issuer and Hancock Bank, Jackson, Mississippi, as trustee (the "Indenture Trustee"), and to lend the proceeds of the sale of the Series 1999A Bonds and the Series 1999 Bonds (collectively, the "Bonds") to UMSSM in order to enable UMSSM to refinance current debt obligations of each of Seashore, UMSSCA, UMSSGA, UMSSDC, UMSSJA, and Aldersgate (collectively, the "Subsidiaries"); and

WHEREAS, UMSSM is the only member of each of the Subsidiaries; and

WHEREAS, as security for the payment of the Bonds, the Borrowers have requested the Lender to issue its irrevocable letter of credit in the form attached to the LOC Agreement (the "Letter of Credit"); and

WHEREAS, to secure the obligations of the respective Subsidiaries, each Subsidiary will execute and deliver, with respect to its respective property (each, a "Facility" and collectively, the

"Facilities"), a Deed of Trust, Assignment of Leases and Security Agreement, each dated as of December 1, 1999 (each, a "Deed of Trust" and collectively, the "Deeds of Trust"); and

WHEREAS, this Deed of Trust is one of the Deeds of Trust required by the LOC Agreement.

NOW THEREFORE, in consideration of Ten (\$10.00) Dollars, in hand paid, and other good and valuable consideration, the receipt and legal sufficiency of which are hereby acknowledged, and to secure the payment of Borrower's obligation pursuant to the LOC Agreement in the original principal amount of Five Million Eight Hundred Twenty-eight Thousand Nine Hundred Dollars (\$5,828,900) (the "Subsidiary Obligation") and all other obligations, liabilities or sums due or to become due from Borrower under this Deed of Trust (as hereinafter defined), the LOC Agreement and the other Operative Documents (as hereinafter defined), including, without limitation, interest on said obligations, liabilities or sums now due or to become due under this Deed of Trust, the LOC Agreement and the other Operative Documents; and any further or subsequent advances made pursuant to this Deed of Trust, the LOC Agreement or the other Operative Documents by Lender or Trustee to protect or preserve the Property (as hereinafter defined) or the lien or security created hereby, or for taxes, assessments, reasonable attorney's fees, insurance premiums or other matters as herein provided (said amounts and other sums, collectively, the "Debt"), Borrower has executed and delivered this Deed of Trust, and Borrower has irrevocably granted, and by these presents and by the execution and delivery hereof does hereby irrevocably grant, bargain, sell, alien, demise, release, convey, assign, transfer, mortgage, hypothecate, pledge, set over, warrant and confirm unto Trustee and to its successors and assigns in trust forever, with power of sale, all right, title and interest of Borrower in and to all of the following property, rights, interests and estates whether now owned or hereafter acquired (collectively, the "Property"):

(a) the plots, pieces or parcels of real property described in Exhibit A attached hereto and made a part hereof (such real property, individually and collectively, the "Premises");

(b) all buildings, foundations, structures, fixtures, additions, modifications, repairs, replacements and improvements of every kind or nature now or hereafter located on the Premises (collectively, the "Improvements");

(c) all easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, wells, water courses, water rights and powers, ditches, ditch rights, reservoirs and reservoir rights, air rights and development rights, lateral support, drainage, gas, oil and mineral rights, liberties, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Premises or the Improvements and the reversions and remainders, whether existing or hereafter acquired, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Premises to the center line thereof and any and all sidewalks, drives, curbs, passageways, streets, spaces and alleys adjacent to or used in connection with the Premises and/or Improvements and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both in law and in equity, of Borrower of, in and to the Premises and Improvements and every part and parcel thereof, with the appurtenances thereto;

(d) all machinery, equipment, fittings, apparatus, appliances, furniture, furnishings, tools, fixtures (including, but not limited to, all heating, air conditioning, ventilating, waste disposal, sprinkler and fire and theft protection equipment, plumbing, lighting, communications and elevator fixtures), goods, inventory, carpets, drapes, construction materials, building equipment, materials and supplies of any nature whatsoever, and other property of every kind and nature whatsoever owned by Borrower, or in which Borrower has or shall have an interest, now or hereafter located upon, in or used in connection with the Premises or the Improvements, or appurtenant thereto, or usable in connection with the present or future operation, maintenance and occupancy of the Premises and the Improvements (other than that owned by tenants of space in the Improvements) (all of the foregoing items described in this paragraph (d), collectively, the "Equipment"), all of which, and any extensions, additions, accessions, improvements, betterments, renewals, substitution, replacements, modifications, alterations and additions thereto, to the extent permitted by applicable law, shall be deemed to constitute fixtures ("Fixtures"), and are part of the real estate and security for the payment of the Debt and the performance of Borrower's obligations. To the extent any portion of the Equipment is not deemed real property or Fixtures under applicable law, it shall be deemed to be personal property, and this Deed of Trust shall be deemed to constitute a security agreement for the purposes of creating a security interest therein in favor of Lender under the UCC;

(e) all awards or payments, including interest thereon, which may hereafter be made with respect to the Premises, the Improvements, the Fixtures, or the Equipment by means of a Taking (as hereinafter defined) and any and all refunds with respect to the payment of property taxes and assessments, and all other proceeds of the conversion, voluntary or involuntary, of the Premises, Improvements, Equipment, Fixtures or any of the other items of property listed herein or part thereof into cash or liquidated claims;

(f) all leases, tenancies, licenses (to the extent permitted by applicable law), and other agreements affecting the use, enjoyment or occupancy of the Premises, the Improvements, the Fixtures, or the Equipment or any portion thereof now or hereafter entered into (the "Leases"), together with all credits, cash or security deposits, advance rentals and payments of similar nature and guarantees or other security held by Borrower in connection therewith, subject to the rights of such tenants therein, and all remainders, reversions and other rights and estates appurtenant thereto, including, but not limited to renewal option and expansion rights, all modifications, extensions and renewals of the Leases and all rights to renew or extend the term thereof, all right and privilege of Borrower to terminate, cancel, abridge, merge, modify, surrender or amend the Leases and any and all possessory rights of Borrower and other rights and/or privileges of possession, and all rents, oil and gas or other mineral royalties, revenues and bonuses, issues and profits from the Premises, the Improvements, the Fixtures or the Equipment (the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt;

(g) policies of insurance covering the Premises, the Improvements, the Fixtures, or the Equipment or any of the other items of property listed herein, all proceeds, loss payments and premium refunds which may become payable with respect to such insurance policies, and any unearned premiums accrued, accruing or to accrue under such insurance policies, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Premises, the Improvements, the Fixtures or the Equipment;

(h) the right, in the name and on behalf of Borrower, to appear in and defend any action or proceeding brought with respect to the Premises, the Improvements, the Fixtures or the Equipment and to commence any action or proceeding to protect the interest of Lender in the Premises, the Improvements, the Fixtures or the Equipment;

(i) all right, title and interest of every nature of Borrower in all monies deposited or to be deposited in any funds or accounts maintained or deposited with Lender or Trustee, or their assigns, in connection herewith;

(j) all contract rights, franchises, authorizations, approvals, licenses, liquor licenses (to the extent permitted by applicable law) consents, certificates, permits, variance and land use entitlements for construction, use, occupancy and operation of the Improvements and the Premises, together with any modifications, renewals or extensions thereof, interests, estate or other claims, rights or privileges, both at law and in equity, relating to the Premises, the Improvements, the Fixtures or the Equipment;

(k) all causes of action, claims and compensation of every kind and nature for any damage to or taking of any part of the Premises, Improvements, Fixtures or Equipment, or for conveyance in lieu thereof, whether direct or consequential, including, without limitation, damage arising from any defect in or with respect to design or construction, or for any injury, loss or diminution in value of the Premises, Improvements, Fixtures or Equipment and all proceeds payable in connection therewith;

(l) all deposits or other security or advance payments, including rental payments made by or on behalf of Borrower to others, with respect to (a) insurance policies, (b) utility services, (c) cleaning, maintenance, repair or similar services, (d) refuse removal or sewer service, (e) parking or similar services or rights and (f) rental of Equipment, if any, relating to or otherwise used in the operation of the Premises, Improvements, Fixtures or Equipment, and all other reserves, deferred payments, deposits, refunds and payments of every kind and nature in any way relating to the Premises, Improvements, Fixtures or Equipment or to any of the other items of property listed herein and all refunds or rebates of Impositions (as hereinafter defined), and interest paid or payable with respect thereto;

(m) all accounts, accounts receivable, notes, deposits, chattel paper and general intangibles of every kind and nature relating in any way to the Premises, Improvements, Fixtures or Equipment, and all contracts, instruments, investment property, documents and contract rights, all names by which the Premises or the Improvements may be operated or known, all rights to carry on business under any such names, all tradenames, trademarks, trademark licenses, trade secrets, logos, building names, copyrights, patents, patent licenses, and goodwill relating in any way to the Premises or the Improvements, and all rights, interest and privileges which Borrower has or may have under any covenants, restrictions or declarations now or hereafter relating to the Premises, Improvements, the Fixtures or Equipment or its operation;

(n) all advertising material, guaranties, warranties, plans and specifications, shop and working drawings, soil tests, appraisals and other documents, materials and/or personal property of any kind now or hereafter existing in or relating to the Premises, Improvements, Fixtures, and Equipment;

(o) all drawings, designs, plans and specifications prepared by the architects, engineers, interior designers, landscape designers and any other consultants or professionals for the

design, development, construction, repair and/or improvement of the Premises, Improvements, Fixtures or Equipment, as amended from time to time, and any and all studies, data, contracts and agreements relating thereto;

(p) all appurtenances and utility rights, water taps, sewer taps and utility deposits pertaining to the Premises, Improvements, Fixtures or Equipment or any portion thereof, all zoning agreements, all operating contracts, management agreements, service contracts, supply and maintenance contracts, equipment leases, and any renewal, modification, amendment, supplement or replacement thereof, which affects or is used in connection with the Premises, Improvements, Fixtures or Equipment or any part thereof;

(q) all oil and gas and other mineral rights now or hereafter pertaining to the Premises and all royalty, leasehold and other rights of Borrower pertaining thereto, including, without limitation, any surface or subsurface entry rights to the Premises or any other property;

(r) all goods, personalty, appliances, inventory, carpets, drapes, equipment, machinery and construction materials now or hereafter situated on the Premises or used, intended to be used or usable in connection with the operation of the Improvements wherever situated (other than that owned by tenants of space in the Improvements); and

(s) all renewals, substitutions, improvements, accessions, attachments, additions, replacements and all articles in substitution therefor, including, without limitation, all cash and non-cash proceeds from the sale or other transfer of any of such items, and all conversions of the security constituted thereby so that, immediately upon such acquisition, construction, assemblage, placement or conversion, as the case may be, and in each such case, the foregoing shall be deemed a part of the Property and shall automatically become subject to the lien of this Deed of Trust as fully and completely and with the same priority and effect as though now owned by Borrower and specifically described herein, without any further mortgage or assignment or conveyance by Borrower.

TO HAVE AND TO HOLD the above granted and described Property unto Trustee and the successors and assigns of Trustee, in fee simple forever.

PROVIDED, ALWAYS, and these presents are upon this express condition, if Borrower shall well and truly pay and discharge the Debt and perform and observe the terms, covenants and conditions set forth in the Operative Documents, then these presents and the estate hereby granted shall cease, determine and be void.

AND Borrower covenants with and represents and warrants to Trustee and Lender that:

ARTICLE I.
DEFINITIONS

Section 1.1. Certain Definitions.

For all purposes of this Deed of Trust, except as otherwise expressly provided or unless the context clearly indicates a contrary intent:

"Accounts" shall have the meaning provided in Section 4.1(c) hereof.

"Approved Bank" shall mean a bank which has (i) a minimum net worth of \$500,000,000 and/or total assets of \$5,000,000,000 and (ii) a minimum unsecured, unguaranteed and unsubordinated long term debt rating by two or more of the Rating Agencies in one of their two highest rating categories.

"Borrower" shall mean the Person (as hereinafter defined) identified as such in this Deed of Trust, any subsequent owner of the Property who succeeds to the obligations of Borrower hereunder, and each of their heirs, executors, legal representatives, successors and assigns.

"Business Day" shall mean a weekday, Monday through Friday, except a legal holiday or a day on which banking institutions in Jackson, Mississippi are authorized by law to be closed.

"Collateral" shall have the meaning provided in Section 11.1 hereof.

"Debt" shall have the meaning set forth in the granting clause of this Deed of Trust.

"Deed of Trust" shall mean this Deed of Trust as originally executed or as it may hereafter from time to time be supplemented, amended, modified or extended by one or more indentures supplemental hereto.

"Default Rate" shall mean Index Rate (as defined in the LOC Agreement) plus 2% per annum.

"Eligible Account" shall mean an interest bearing account selected by Lender that is either: (a) maintained with a depository institution or trust company the long-term unsecured debt obligations of which (or, in the case of a depository institution or trust company that is the principal subsidiary of a holding company, the long-term unsecured debt obligations of such holding company) have been rated by two or more of the Rating Agencies in one of their two highest rating categories or the short-term commercial paper of which is rated by two or more of the Rating Agencies in their highest rating category at the time of any deposit therein; (b) maintained with a federal or state chartered depository institution or trust company with trust powers acting in its fiduciary capacity provided that any such state chartered institution or trust company shall be subject

to regulations regarding fiduciary funds on deposit substantially similar to federal regulation 12 CFR § 910(b); or (c) maintained at an Approved Bank.

"Environmental Report" shall mean any environmental audit, testing or study of the Property and of the operation of Borrower delivered by Borrower to Lender.

"Environmental Law" shall mean any present or future federal, state or local law, statute, regulation or ordinance, and any judicial or administrative order or judgment thereunder, pertaining to health, industrial hygiene, Hazardous Materials, or the environment, including, without limitation, each of the laws, statutes, regulations and ordinances identified in the definition of Hazardous Materials hereinafter set forth, as enacted as of the date hereof and as hereafter amended or supplemented, and any permit, authorization or order thereunder.

"Equipment" shall have the meaning set forth in the granting clause to this Deed of Trust.

"Event of Default" shall have the meaning set forth in Section 12.1 hereof.

"Fixtures" shall have the meaning set forth in the granting clause of this Deed of Trust.

"Governmental Authority" shall mean any nation or federal government, any state, regional, local or other political subdivision thereof and any Person exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government.

"Hazardous Materials" shall mean and include (i) those elements, wastes, materials, substances or compounds identified or regulated as hazardous or toxic pursuant to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq. and 40 CFR § 302.1 et seq.) ("CERCLA"), the Resource Conservation and Recovery Act of 1976 (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq. and 40 CFR § 116.1 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Federal Insecticide, Fungicide and Rodenticide Act (7 U.S.C. § 136 et seq.), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 1101 et seq.), the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.), the Residential Lead-Based Paint Hazard Reduction Act (42 U.S.C. § 4851 et seq.), any analogous state laws, any amendments thereto, and the regulations promulgated pursuant to said laws, all as amended from time to time, relating to or affecting the Property, (ii) any hazardous, toxic or harmful substances, wastes, materials, pollutants or contaminants (including, without limitation, asbestos, polychlorinated biphenyls, petroleum products, flammable explosives, radioactive materials, infectious substances, materials containing lead-based paint or raw materials which include hazardous constituents) or any other substances or materials which are identified by or regulated by Environmental Laws, on, in, under or affecting all or any portion of the Property or any surrounding areas, and (iii) any substances now or hereafter defined as or included in the definitions of

"hazardous substances", "hazardous wastes", "hazardous materials", "pollutants", or "toxic substances" under any applicable Legal Requirements.

"Impositions" shall mean all taxes (including, without limitation, all ad valorem, sales (including those imposed on lease rentals), use, single business, gross receipts, value added, intangible transaction privilege, privilege or license or similar taxes), assessments (including, without limitation, all assessments for public improvements or benefits, whether or not commenced or completed within the term of this Deed of Trust), ground rents, water, sewer or other rents and charges, excises, levies, fees (including, without limitation, license, permit, inspection, authorization and similar fees), charges for any easement or agreement maintained for the benefit of the Property or any portion thereof and all other governmental charges, in each case whether general or special, ordinary or extraordinary, or foreseen or unforeseen, of every character in respect of the Property (including all interest and penalties thereon), which at any time prior to, during or in respect of the term hereof may be assessed or imposed on or in respect of or be a lien upon (a) Borrower (including, without limitation, all franchise, single business or other taxes imposed on Borrower for the privilege of doing business in the jurisdiction in which the Property is located), Trustee or Lender, (b) the Property or any part thereof or any Rent therefrom or any estate, right, title or interest therein, or (c) any occupancy, operation, use or possession of, or sales from, or activity conducted on, or in connection with the Property or the leasing or use of the Property or any part thereof, or the acquisition or financing of the acquisition of the Property by Borrower. Nothing contained in this Deed of Trust shall be construed to require Borrower to pay any tax, assessment, levy or charge imposed on Lender or Trustee in the nature of a franchise, capital levy, estate, inheritance, succession, transfer, net income or net revenue tax of Lender or Trustee, as the case may be.

"Improvements" shall have the meaning set forth in the granting clause of this Deed of Trust.

"Insurance Requirements" shall mean all terms of any insurance policy required by this Deed of Trust, all requirements of the issuer of any such policy, and all regulations and then current standards applicable to or affecting the Property or any use or condition thereof, which may, at any time, be recommended by the Board of Fire Underwriters, if any, having jurisdiction over the Property, or such other Person exercising similar functions.

"Leases" shall have the meaning set forth in the granting clause of this Deed of Trust.

"Legal Requirements" shall mean all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions (including, without limitation any of the foregoing relating to Hazardous Materials) affecting either the Property or the construction, use, alteration or operation thereof, whether now or hereafter enacted and in force, including, without limitation, (i) any which may require repairs, modifications or alterations in or to the Property, (ii) any which may in any way limit the use and enjoyment thereof, and all permits, licenses and authorizations and regulations relating thereto, (iii) all covenants, agreements, restrictions and encumbrances contained in any instruments, either of

record or known to Borrower, any time in force affecting the Property, or (iv) any which may pertain to requirements for equal opportunity, anti-discrimination, disability accommodation (including, without limitation, any of the foregoing relating to the Americans with Disabilities Act or the regulations promulgated thereunder), environmental protection, zoning or land use.

"Lender" shall mean the Person identified as such in this Deed of Trust and its successors, assigns and transferees.

"Lien" shall mean, with respect to any property or asset, any mortgage or deed of trust, pledge, hypothecation, assignment, deposit arrangement, security interest, lien, charge, easement (other than any easement not materially impairing usefulness or marketability), encumbrance, preference, priority or other security agreement or preferential arrangement of any kind or nature whatsoever on or with respect to such property or asset (including, without limitation, any conditional sale or other title retention agreement having substantially the same economic affect as any of the foregoing).

"Maturity" when used with respect to the Debt, shall mean December 15, 2009 or such other date pursuant to the Letter of Credit on which the obligation of Lender terminates without any continuing obligation for payment or performance on the part of Borrower.

"Maximum Amount" shall have the meaning provided in Section 16.3 hereof.

"Net Proceeds" shall mean, in connection with any casualty or Taking, the insurance proceeds or condemnation award actually received by Lender less any adjusters' fees and expenses and all costs and expenses, including, without limitation, all reasonable architects', attorneys', engineers' and other consultants' and professionals' fees and disbursements incurred by Lender or Trustee in connection with the casualty or Taking in question.

"Officer's Certificate" shall mean a certificate of Borrower or, if Borrower is not a natural person, a certificate signed by the President or any Vice President or the Treasurer or any other officer authorized to so sign by the board of directors or by-laws of Borrower, and delivered to Lender or, if Borrower is a partnership with one or more corporate general partners, a certificate so executed by such general partner(s) and/or any other partners having the power and authority to sign on behalf of Borrower or, if Borrower is a limited liability company with one or more corporate members, a certificate so executed by such member(s) and/or any other members having the power and authority to sign on behalf of Borrower.

"Operative Documents" shall mean, collectively, the LOC Agreement, the Letter of Credit, the Loan Agreement, the Indenture, the Deeds of Trust and any and all other documents, instruments and agreements now or hereafter evidencing, securing, guaranteeing and/or relating to the Debt secured hereby, as the same may be amended, modified, extended, renewed, restated, supplemented or replaced from time to time.

"Opinion of Counsel" shall mean an opinion or opinions in writing signed by independent legal counsel to Borrower, designated by Borrower, and reasonably satisfactory to Lender.

"Permitted Encumbrances" shall mean, collectively, those matters set forth in the Lawyers Title Insurance Corporation mortgagee policy insuring the lien of this Deed of Trust.

"Person" shall mean any individual, corporation, partnership, joint venture, estate, trust, limited liability company, unincorporated association, any federal, state, county or municipal government or any bureau, department or agency thereof and any fiduciary acting in such capacity on behalf of any of the foregoing.

"Premises" shall have the meaning set forth in the granting clause of this Deed of Trust.

"Property" shall have the meaning set forth in the granting clause of this Deed of Trust.

"Rating Agencies" shall mean Standard & Poor's Ratings Group, Duff & Phelps Credit Rating Co., Moody's Investors Service, Inc., Fitch Investors Service, Inc. or any successors thereto.

"Rent" shall have the meaning set forth in the granting clauses of this Deed of Trust.

"Restoration" shall have the meaning provided in Section 3.4(a) hereof.

"State" shall mean the State of Mississippi.

"Successors" shall have the meaning provided in Section 7.2(a) hereof.

"Taking" shall mean a taking or voluntary conveyance during the term hereof of all or any part of the Property, or any interest therein or right accruing thereto or the use thereof, including, without limitation, any change of grade of any street, road, avenue or the widening of streets, roads or avenues adjoining or abutting the Premises, or any other injury to, or decrease in value of the Property, as the result of, or in settlement of any condemnation or other eminent domain proceeding affecting the Property whether or not the same shall have actually been commenced.

"Trustee" shall mean the Person identified as such in this Deed of Trust and its successors and assigns.

"UCC" means the Uniform Commercial Code as in effect in the State.

Defined terms used in this Deed of Trust and not otherwise defined shall have the meanings assigned in the Operative Documents.

ARTICLE II.
COVENANTS, WARRANTIES AND REPRESENTATIONS OF BORROWER

Section 2.1. Payment of Debt. Borrower will pay the Debt and each and every amount which is or may become payable to Lender under the Operative Documents at the time and in the manner provided in the LOC Agreement and the other Operative Documents, all in lawful money of the United States of America, and shall perform all of its obligations in accordance with the provisions set forth herein and in the other Operative Documents.

Section 2.2. Representations, Warranties and Covenants of Borrower. Borrower represents and warrants to Lender and Trustee as of the date hereof and, except for those items stated below to be true as of the date hereof, covenants with Trustee and Lender to maintain the same as true throughout the term of the LOC Agreement, the Letter of Credit and the Bonds:

(a) Title. Borrower has good, marketable and insurable fee simple title to the Property and has the right, power and authority to mortgage, give, grant, bargain, sell, alien, convey, confirm, pledge, assign and hypothecate the same, and Borrower possesses a fee estate in the Premises and the Improvements and it owns the Property free and clear of all liens, encumbrances and charges whatsoever except for the Permitted Encumbrances. Borrower shall forever warrant, defend and preserve such title and the validity and priority of the lien of this Deed of Trust against the claims of all Persons whomsoever. The foregoing warranty of title shall survive the foreclosure of this Deed of Trust and shall inure to the benefit of and be enforceable by Lender in the event Lender acquires title to the Property.

(b) Organization. Borrower is a non-profit corporation which is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation and in all jurisdictions in which it conducts business. Borrower and all Persons holding direct ownership interests in Borrower are either United States citizens or have been formed under and are governed by the laws of a jurisdiction located within the United States.

(c) Authorization of Borrowing. As applicable, Borrower has duly authorized the execution, delivery and performance of the Operative Documents to which it is a party, has taken all requisite action and obtained all necessary and required approvals and consents (including, without limitation, approvals of partners and/or shareholders), and Borrower warrants that the execution, delivery and performance of such Operative Documents will not, as applicable (i) violate any provision of Borrower's partnership agreement, operating agreement, partnership certificate, certificate of incorporation, by-laws, regulations, articles of formation or organization, as applicable, or, to its knowledge, any law, judgment, order, rule or regulation of any court, arbitration panel or other Governmental Authority, domestic or foreign, or other Person affecting or

binding upon Borrower or the Property, (ii) violate any provision of any indenture, agreement, mortgage, contract or other instrument to which Borrower is a party or by which any of its property, assets or revenues are bound, or be in conflict with, result in an acceleration of any obligation or a breach of or constitute (with notice or lapse of time or both) a default or require any payment or prepayment under, any such indenture, agreement, mortgage, contract or other instrument or (iii) result in the creation or imposition of any Lien, except those in favor of Lender as provided in the Operative Documents to which it is a party. Borrower is not required to file any declaration or statement with any Governmental Authority or other agency in connection with or as a condition to the execution, delivery or performance of this Deed of Trust, the LOC Agreement or the other Operative Documents which has not been so filed.

(d) Lien on Collateral. Upon the timely recording of this Deed of Trust, and the timely filing of financing statements pursuant to the UCC, Lender shall have a valid first, prior and perfected lien and security interest on the Property, free and clear of all Liens, except the Permitted Encumbrances.

(e) Maintenance of Existence. Borrower possesses all franchises, patents, copyrights, trademarks, trade names, licenses and permits necessary for the conduct of its business substantially as now conducted. Borrower will, so long as it owns the Property, do all things necessary to preserve and keep in full force and effect its existence (if Borrower is not a natural person), franchises, rights, licenses, permits, approvals and privileges under the laws of the state of its formation (if applicable) and all other states in which it conducts business, and will comply with all Legal Requirements of any Governmental Authority applicable to Borrower or to the Property or any part thereof, and the Property does not require any rights over, or restrictions against, other property in order to comply with such Legal Requirements.

(f) Not Foreign Person. Borrower is not a "foreign person" within the meaning of §1445(f)(3) of the Internal Revenue Code of 1986 as amended and the related Treasury Department regulations, including temporary regulations.

(g) Agreements. Borrower is not a party to any lease, agreement or instrument or subject to any restriction which may materially adversely affect Borrower, the Property, or Borrower's business, properties or assets, operations or condition, financial or otherwise. Borrower is not in default in the performance, observance or fulfillment of any of the material obligations, covenants or conditions contained in any agreement or instrument to which it is a party or by which Borrower or the Property is bound.

(h) No Bankruptcy Filing. Any obligations undertaken by Borrower pursuant to the Operative Documents do not and will not render Borrower insolvent. No bankruptcy or insolvency proceedings are pending and Borrower is not contemplating either the new filing of a petition by it under any state or federal bankruptcy or insolvency laws or the liquidation of all or a major portion of its property, and Borrower has no knowledge of any Person contemplating the filing of any such petition against it.

(i) Disclosure. No statement of fact made by or on behalf of Borrower to Lender or Trustee in connection with the Bonds or in any certificate, document, affidavit or schedule furnished to Lender or Trustee pursuant hereto, contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained therein or herein not misleading. There is no fact presently known to Borrower which has not been disclosed to Lender which materially affects adversely, nor as far as Borrower can foresee, will materially affect adversely, the Property or the business, operations or condition (financial or otherwise) of Borrower.

(j) Financial Information. All financial data that has been delivered by Borrower to Lender or Trustee (i) is complete and correct in all material respects, (ii) accurately represents the financial condition of the Persons covered thereby as of the date stated therein, and (iii) has been prepared in accordance with generally accepted accounting principles consistently applied (or such other accounting basis as is acceptable to Lender) throughout the periods covered. As of the date of this Deed of Trust, neither Borrower nor, if Borrower is a partnership, any general partner of Borrower had any material contingent liability, liability for taxes or other unusual or forward commitment not reflected in such financial statements delivered to Lender; since the date of the last financial statements delivered by Borrower to Lender, there has been no material adverse change in the assets, liabilities or financial position of Borrower nor, if Borrower is a partnership, any general partner of Borrower, or in the results of operations of Borrower; neither Borrower nor, if Borrower is a partnership, any general partner of Borrower has incurred any obligation or liability, contingent or otherwise which would materially and adversely affect its financial position or the Property.

(k) Condemnation. As of the date of this Deed of Trust, no condemnation, eminent domain or similar proceeding has been commenced or, to the best of Borrower's knowledge, is contemplated with respect to all or any portion of the Property or for the relocation of roadways providing access to the Property.

(l) No Advance Payments. Except as disclosed to Lender in writing or as expressly permitted pursuant to the Deed of Trust, Borrower has not received any payment, deposit, rental prepayment or other amount of any nature for any occupant or prospective occupant more than one (1) month in advance of its due date.

(m) Other Security Interests. There are no security agreements or financing statements affecting the Property other than (i) as disclosed in writing by Borrower to Lender prior to the date hereof and (ii) those created in favor of Lender.

(n) Federal Reserve Regulations. No part of the proceeds of the Bonds will be used for the purpose of purchasing or acquiring any "margin stock" within the meaning of Regulations G, T, U or X of the Board of Governors of the Federal Reserve System or for any other purpose which would be inconsistent with such Regulations G, T, U or X or any other Regulations of such Board of Governors, or for any purposes prohibited by Legal Requirements or by the terms and conditions of the Operative Documents.

(o) Utilities and Public Access. The Property has adequate rights of access to public ways and all water, sewer, electricity, telephones, natural gas, sanitary sewer and storm drain facilities, community services (including police and fire protection, public transportation, refuse removal and enforcement of safety codes) and any other utility necessary or desirable for the operation of the Property as presently used. All public utilities necessary or convenient to the full use, occupancy, disposition and enjoyment of the Property are located in the public right-of-way abutting the Premises and all such utilities are connected so as to serve the Property without passing over other property or are within easements acceptable to Lender. The Property has adequate rights of access to all-weather streets, roads, highways, and bridges necessary for access to and full utilization of the Property for its current purpose. The foregoing streets, roads, highways and bridges have been completed and dedicated to public use and accepted by all Governmental Authorities without further condition or cost to Borrower.

(p) Separate Lots. The Premises are made up of one or more parcels, each of which constitutes a separate tax lot and none of which constitutes a portion of any other tax lot.

(q) Litigation. There is no action, suit or proceeding at law or in equity by or before any Governmental Authority or other agency now pending or threatened against or affecting Borrower, or, if Borrower is a partnership, any of the general partners of Borrower, or the Property which, if adversely determined, would have a material adverse effect on (i) the business, operations, properties, assets or condition, financial or otherwise of Borrower or, if Borrower is a partnership, of any of the general partners of Borrower; (ii) the Property; or (iii) on the ability of Borrower to perform the covenants and obligations required to be performed under the Operative Documents.

(r) Casualty Damage. As of the date of this Deed of Trust, the Property is free from unrepaired damage caused by fire, flood or other casualty.

(s) No Delinquent Impositions. The Property is free from delinquent Impositions.

(t) Tax Filings. Borrower and, if Borrower is a partnership, each of the general partners of Borrower, have filed all federal, state and local tax returns required to be filed and has paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments, including sales and payroll taxes. The income tax returns filed by Borrower and, if Borrower is a partnership, each of the general partners of Borrower, accurately and correctly reflects the income and taxes of Borrower and such general partners for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit, which will have no material adverse effect on the financial condition of Borrower or such general partners, on the business or results of operations of Borrower, or Borrower's ability to perform the covenants and obligations required to be performed under the Operative Documents.

(u) Enforceability. The LOC Agreement, this Deed of Trust and the other Operative Documents are the legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with their respective terms. The LOC Agreement, this Deed of Trust and the other Operative Documents are not subject to any right of rescission, set-off, counterclaim or defense, and no claim of any such right has been asserted with respect thereto.

(v) Title Insurance. The Property is covered by a mortgagee title insurance policy which is issued by and is the valid and binding obligation of a title insurer qualified to do business in the jurisdiction where the Property is located, insuring Lender, its successors and assigns, as to its first lien encumbering fee simple title to the Property, free of all liens except the Permitted Encumbrances. No claims have been made under such title insurance policy and Borrower has not, by act or omission, done anything which would impair the coverage of such title insurance policy.

(w) Property Condition. The Improvements are structurally sound, in good repair and free of defects in materials and workmanship and have been constructed and installed in substantial compliance with the plans and specifications and Legal Requirements relating thereto. All major building systems located within the Improvements, including without limitation the heating and air conditioning systems and the electrical and plumbing systems, are in good working order and condition. There are no illegal activities relating to controlled substances or otherwise on the Property.

(x) Use of Bond Proceeds. Proceeds of the Bonds will be used for the purposes set forth in the Operative Documents.

Section 2.3. Further Acts, etc. Borrower will, at the cost of Borrower, and without expense to Lender or Trustee, do, execute, acknowledge and deliver all such further acts, deeds, conveyances, mortgages, assignments, transfers and assurances as Lender or Trustee shall, from time to time, require to confirm and fully protect the lien and priority of this Deed of Trust, or to file, register or record this Deed of Trust and, on demand, Borrower will execute and deliver and hereby authorizes Trustee and Lender to execute in the name of Borrower or without the signature of Borrower to the extent Trustee or Lender may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Property. Borrower grants to Trustee and Lender an irrevocable power of attorney coupled with an interest for the purpose of (i) protecting, perfecting, preserving and realizing upon the interests granted pursuant to this Deed of Trust and to effect the intent hereof, and (ii) correcting any mistakes, filling in blanks and otherwise completing and perfecting the Operative Documents (provided such changes do not impose any additional liability or obligations upon Borrower), and Borrower hereby ratifies all that Trustee or Lender shall lawfully do or cause to be done by virtue hereof.

Section 2.4. Recording of Deed of Trust, etc. Borrower forthwith upon the execution and delivery of this Deed of Trust and thereafter, from time to time, will cause this Deed of Trust, and any security instrument creating a lien or security interest upon the Property and each

instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully protect the lien or security interest hereof upon, and the interest of Trustee and Lender in, the Property. Borrower will pay all filing, registration or recording fees, and all expenses incident to the preparation, execution and acknowledgment of this Deed of Trust, any deed of trust supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and all federal, state, county and municipal, taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Deed of Trust, any deed of trust supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, except where prohibited by law so to do in which event Lender shall have the option, by written notice of not less than thirty (30) days, to declare the Debt to be immediately due and payable. Borrower shall hold harmless and indemnify Trustee, Lender and their successors and assigns against any liability incurred by reason of the imposition of any tax on the making and recording of this Deed of Trust.

Section 2.5. Indemnification. (a) In addition and without limitation to any other provision of this Deed of Trust, Borrower shall protect, indemnify and save harmless Trustee and Lender and their successors and assigns, and each of their agents, employees, officers and directors, from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expense (including, without limitation, reasonable attorneys' fees and expenses, whether incurred within or outside the judicial process), imposed upon or incurred by or asserted against Trustee or Lender, their successors or assigns, or any of their agents, employees, officers or directors, by reason of (i) ownership of this Deed of Trust, the Property or any part thereof or any interest therein or receipt of any Rents; (ii) any accident, injury to or death of any person or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, parking areas, streets or ways; (iii) any use, nonuse or condition in, on or about, or possession, alteration, repair, operation, maintenance or management of, the Property or any part thereof or on the adjoining sidewalks, curbs, parking areas, streets or ways; (iv) any failure on the part of Borrower to perform or comply with any of the terms of this Deed of Trust; (v) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (vi) any claim by brokers, finders or similar Persons claiming to be entitled to a commission in connection with any Lease or other transaction involving the Property or any part thereof; (vii) any Imposition including, without limitation, any Imposition attributable to the execution, delivery, filing, or recording of any Operative Document or memorandum thereof; (viii) any Lien or claim arising on or against the Property or any part thereof under any Legal Requirement or any liability asserted against Trustee or Lender with respect thereto; or (ix) the claims of any lessee or any Person acting through or under any lessee or otherwise arising under or as a consequence of any Lease. This indemnification shall survive the termination of this Mortgage whether by repayment of the Debt, foreclosure or deed in lieu thereof, assignment, or otherwise.

(b) Notwithstanding the foregoing provisions of this Section to the contrary, Borrower shall have no obligation to indemnify Trustee or Lender, as the case may be, pursuant to this Section for liabilities, obligations, claims, damages, penalties, causes of action, costs

and expenses relative to the foregoing which result directly from the willful misconduct or gross negligence of such Person. Any amounts payable to Trustee or Lender by reason of the application of this Section shall constitute a part of the Debt secured by this Deed of Trust and other Operative Documents and shall become immediately due and payable and shall bear interest at the Default Rate from the date loss or damage is sustained by Trustee or Lender until paid.

(c) Notwithstanding the foregoing provisions of this Section to the contrary, Trustee shall not be answerable or accountable hereunder except for its own willful misconduct or gross negligence, and Borrower agrees to indemnify, defend and hold Trustee harmless from and against any cost, loss, damage, liability or expense (including, without limitation reasonable attorney's fees and disbursements) which Trustee may incur or sustain in the exercise or performance of its powers and duties hereunder.

Section 2.6. Removal of Liens.

(a) Borrower shall, at its expense, maintain this Deed of Trust as a first priority lien on the Property and shall keep the Property free and clear of all Liens of any kind and nature other than the Permitted Encumbrances. Borrower shall, within thirty (30) days following the filing thereof, promptly discharge of record, by payment, bonding or otherwise, any such Liens and, promptly upon request by Lender, deliver to Lender evidence reasonably satisfactory to Lender of the discharge thereof.

(b) If Borrower fails to comply with the requirements of paragraph (a) of this Section, then, upon five (5) Business Days' prior notice to Borrower, Trustee or Lender may, but shall not be obligated to, pay any such Lien, and Borrower shall, within five (5) Business Days after Lender's or Trustee's demand therefor, reimburse Trustee or Lender, as the case may be, for all sums so expended, together with interest thereon at the Default Rate from the date advanced, all of which shall be deemed part of the Debt. Nothing contained herein shall be deemed a consent or request of Trustee or Lender, express or implied, by inference or otherwise, to the performance of any alteration, repair or other work by any contractor, subcontractor or laborer or the furnishing of any materials by any materialmen in connection therewith.

Section 2.7. Cost of Defending and Upholding the Deed of Trust Lien. If any action or proceeding is commenced to which Lender or Trustee is made a party relating to the Operative Documents, the Property or Lender's or Trustee's interest therein or in which it becomes necessary to defend or uphold the lien of this Deed of Trust or any other Operative Document, Borrower shall, on demand, reimburse Trustee or Lender, as the case may be, for all expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by Trustee or Lender, as the case may be, in connection therewith, and such sum, together with interest thereon at the Default Rate from and after such demand, until fully paid, shall constitute a part of the Debt.

Section 2.8. Use of the Property. Borrower will use, or cause to be used, the Property for such use as is permitted by applicable Legal Requirements including, without limitation,

the certificate of occupancy applicable to the Property. Borrower shall not suffer or permit the Property or any portion thereof to be used by the public or any Person not subject to a Lease without restrictions or in such manner as might impair Borrower's title to the Property, or in such manner as may give rise to a claim or claims of adverse usage or adverse possession by the public, or of implied dedication of the Property or any part thereof.

ARTICLE III. INSURANCE

Section 3.1. Insurance Coverage. Borrower shall, at its expense, maintain the following insurance coverages with respect to the Property during the term of this Deed of Trust:

(a) (1) Insurance against loss or damage by fire, casualty and other hazards as now are or subsequently may be covered by an "all risk" policy or a policy covering "special" causes of loss, with such endorsements as Lender or Trustee may from time to time reasonably require and which are customarily required by institutional lenders of similar properties similarly situated, including, without limitation, building ordinance and law, lightning, windstorm, civil commotion, hail, riot, strike, water damage, sprinkler leakage, collapse, malicious mischief, explosion, smoke, aircraft, vehicles, vandalism, falling objects and weight of snow, ice or sleet, and covering the Property in an amount equal to 100% of the full insurable replacement value of the Property (exclusive of footings and foundations below the lowest basement floor) without deduction for depreciation. The determination of the replacement cost amount shall be adjusted annually to comply with the requirements of the insurer issuing the coverage or, at Lender's election, by reference to such indexes, appraisals or information as Lender determines in its reasonable discretion, and, unless the insurance required by this paragraph shall be effected by blanket and/or umbrella policies in accordance with the requirements of this Deed of Trust, the policy shall include inflation guard coverage that ensures that the policy limits will be increased over time to reflect the effect of inflation. Each policy shall, subject to Lender's approval, contain a replacement cost endorsement, without deduction for depreciation and either an agreed amount endorsement or a waiver of any co-insurance provisions, and shall provide for deductibles not to exceed Ten Thousand Dollars (\$10,000) for any single claim.

(2) Commercial general liability insurance under a policy containing "Comprehensive General Liability Form" of coverage (or a comparably worded form of coverage) and the "Broad Form CGL" endorsement (or a policy which otherwise incorporates the language of such endorsement), providing coverage on an occurrence (not "claims made") basis, which policy shall include, without limitation, coverage against claims for personal injury, bodily injury, death and property damage liability with respect to the Property and the operations related thereto, whether on or off the Premises, and the following coverages: Employee as Additional Insured, Product Liability/Completed Operations; Broad Form Contractual Liability, Independent Contractor, Personal Injury and Advertising Injury Protection, Medical Payment (with a minimum limit of \$5,000 per person), Broad Form Cross Suits Liability Endorsement, where applicable, hired

and non-owned automobile coverage (including rented and leased vehicles), and, if any alcoholic beverages shall be sold, manufactured or distributed on the Property, liquor liability coverage, all of which shall be in such amounts as Lender may from time to time reasonably require, but not less than One Million Dollars (\$1,000,000) per occurrence with a Two Million Dollar (\$2,000,000) general aggregate limit. If such policy shall cover more than one property, such limits shall apply on a "per location" basis. If any elevators are located on the Property, the foregoing amounts shall be increased to Three Million Dollars (\$3,000,000) and Six Million Dollars (\$6,000,000), respectively. Such liability policy shall delete the contractual exclusion under the personal injury coverage, if possible, and if available, shall include the following endorsements: Notice of Accident, Knowledge of Occurrence, and Unintentional Error and Omission.

(3) Rental insurance (which shall be deemed to include business income insurance where applicable) (i) with loss payable to Lender; (ii) covering all risks required to be covered by the insurance provided for in Section 3.1(a)(1); and (iii) in an amount equal to the greater of (x) not less than 100% of the actual Rent for the preceding twelve (12) month period or (y) the annualized rent based upon the most recent quarterly rent roll including, in either case, the total amount of all other charges which are the legal obligations of the tenants, lessees and sublessees of the Premises under the Leases. The amount of such rental insurance shall be determined upon the execution of this Deed of Trust and once each calendar year thereafter based on Borrower's reasonable estimate of rental income or projected gross revenues from operations, as the case may be, from the Property for the succeeding twelve (12) months. The rental insurance shall include either an agreed amount endorsement or a waiver of any co-insurance provisions, so as to prevent Borrower, Lender and any other insured thereunder from being a co-insurer. If Lender shall require business income insurance in addition to the foregoing rental insurance, such business income shall (A) cover the same perils of loss as are required to be covered by the property insurance required under Section 3.1(a)(1) above, (B) be in an amount equal to the annual net income from the Property (net profit before payment of income taxes) plus normal operating expenses of the Property, including payroll, (C) include either an agreed amount endorsement or a waiver of any co-insurance provisions, so as to prevent Borrower, Lender and any other insured thereunder from being a co-insurer, and (D) and provide that any covered loss thereunder shall be payable to Lender.

(4) During the period of any new construction on the Premises, a so-called "Builder's All-Risk Completed Value" or "Course of Construction" insurance policy in non-reporting form for any improvements under construction, including, without limitation, for demolition and increased cost of construction or renovation, in an amount equal to 100% of the estimated replacement cost value on the date of completion, including "soft cost" coverage, and Worker's Compensation Insurance covering all persons engaged in such construction, in an amount at least equal to the minimum required by law. In addition, each contractor and subcontractor shall be required to provide Lender with a certificate of insurance for (a) Worker's Compensation Insurance covering all persons engaged by such contractor or subcontractor in such construction in an amount at least equal to the minimum required by law, and (b) general liability insurance showing minimum limits of at least \$5,000,000, including coverage for products and completed operations. Each contractor and subcontractor also shall cover Borrower and Lender as an additional insured

under such liability policy and shall indemnify and hold Borrower and Lender harmless from and against any and all claims, damages, liabilities, costs and expenses arising out of, relating to or otherwise in connection with its performance of such construction.

(5) If the Property contains steam boilers, steam pipes, steam engines, steam turbines or other high pressure vessels, insurance covering the major components of the central heating, air conditioning and ventilating systems, boilers, other pressure vessels, high pressure piping and machinery, elevators and escalators, if any, and other similar equipment installed in the Improvements, in an amount equal to one hundred percent (100%) of the full replacement cost of the Property, which policies shall insure against physical damage to and loss of occupancy and use of the Improvements arising out of an accident or breakdown covered thereunder.

(6) Flood insurance with a deductible not to exceed Three Thousand Dollars (\$3,000), or such greater amount as may be satisfactory to Lender in its sole discretion, and in an amount equal to the full insurable value of the Property or the maximum amount available, whichever is less, if the Improvements located at Property are located in an area designated by the Federal Emergency Management Agency as having special flood hazards, and if flood insurance is available under the National Flood Insurance Act.

(7) Worker's compensation insurance or other similar insurance which may be required by Governmental Authorities or Legal Requirements in an amount at least equal to the minimum required by law.

(8) If the Property is located in a federal earthquake zone, earthquake insurance in an amount equal to 100% of the full insurable replacement value of the Property.

(9) Such other insurance coverages, and such other forms and endorsements, as may from time to time be reasonably required by Lender and which are customarily required by institutional lenders of similar properties, similarly situated, including, without limitation, coverages against other insurable hazards (including, without limitation, earthquake, sinkhole and mine subsidence), which at the time are commonly insured against and generally available.

(b) Borrower may carry insurance not required under this Deed of Trust, provided any such insurance affecting the Property shall be for the mutual benefit of Borrower and Lender, as their respective interests may appear, and shall be subject to all other provisions of this Article III.

Section 3.2. Policy Terms. (a) All insurance required by this Article III shall have a term of not less than one year and shall be in the form and amount and with deductibles as, from time to time, shall be reasonably acceptable to Lender, under valid and enforceable policies issued by financially responsible insurers authorized and licensed to do business in the State where the

Property is located, with a rating of not less than the third (3rd) highest rating category by any one of the Rating Agencies or with an A.M. Best Company, Inc. rating of A or higher and a financial size category of not less than X or a rating of at least BBB in the Insurer Solvency Review published by Standard & Poor's. Originals or certified copies of all insurance policies shall be delivered to and held by Lender. All such policies shall name Lender as an additional insured, shall provide for loss payable solely to Lender and shall contain: (i) standard "non-contributory mortgagee" endorsement or its equivalent relating, inter alia, to recovery by Lender notwithstanding the negligent or willful acts or omissions of Borrower and notwithstanding (a) occupancy or use of the Property for purposes more hazardous than those permitted by the terms of such policy, (b) any foreclosure or other action taken by Lender or Trustee pursuant to this Deed of Trust upon the occurrence of an Event of Default, or (c) any change in title or ownership of the Property; and (ii) a provision that such policies shall not be canceled or amended, including, without limitation, any amendment reducing the scope or limits of coverage, or failed to be renewed, without at least thirty (30) days prior written notice to Lender in each instance. With respect to insurance policies which require payment of premiums annually, not less than thirty (30) days prior to the expiration dates of the insurance policies obtained pursuant to this Deed of Trust, Borrower shall pay such amount, except to the extent provision is actually made therefor pursuant to Section 4.1(c). Not less than thirty (30) days prior to the expiration dates of the insurance policies obtained pursuant to this Deed of Trust, originals or certified copies of renewals of such policies (or certificates evidencing such renewals) bearing notations evidencing the payment of premiums or accompanied by other evidence satisfactory to Lender of such payment, which premiums shall not be paid by Borrower through or by any financing arrangement, shall be delivered by Borrower to Lender. Borrower shall not carry separate insurance, concurrent in kind or form or contributing in the event of loss, with any insurance required under this Article III. If the limits of any policy required hereunder are reduced or eliminated due to a covered loss, Borrower shall pay the additional premium, if any, in order to have the original limits of insurance reinstated, or Borrower shall purchase new insurance in the same type and amount that existed immediately prior to the loss.

(b) If Borrower fails to maintain and deliver to Lender the original policies or certificates of insurance required by this Deed of Trust, Trustee or Lender may, at their option, procure such insurance and Borrower shall pay or, as the case may be, reimburse Trustee or Lender, as the case may be, for, all premiums thereon promptly, upon demand by Trustee or Lender, as the case may be, with interest thereon at the Default Rate from the date paid by Trustee or Lender, as the case may be, to the date of repayment and such sum shall constitute a part of the Debt.

(c) The insurance required by this Deed of Trust may, at the option of Borrower, be effected by blanket and/or umbrella policies issued to Borrower covering the Property and the other properties of Borrower provided that, in each case, the policies otherwise comply with the provisions of this Deed of Trust and allocate to the Property, from time to time, the coverage specified by this Deed of Trust, without possibility of reduction or coinsurance by reason of, or damage to, any other property (real or personal) named therein. If the insurance required by this Deed of Trust shall be effected by any such blanket or umbrella policies, Borrower shall furnish to

Lender original policies or certified copies thereof, with schedules attached thereto showing the amount of the insurance provided under such policies which is applicable to the Property.

(d) Neither Lender, Trustee nor their agents or employees shall be liable for any loss or damage insured by the insurance policies required to be maintained under this Deed of Trust; it being understood that (i) Borrower shall look solely to its insurance company for the recovery of such loss or damage, (ii) such insurance company shall have no rights of subrogation against Lender, Trustee, their agents or employees, and (iii) Borrower shall use its best efforts to procure from such insurance company a waiver of subrogation rights against Lender and Trustee. If, however, such insurance policies do not provide for a waiver of subrogation rights against Lender and Trustee (whether because such a waiver is unavailable or otherwise), then Borrower hereby agrees, to the extent permitted by law and to the extent not prohibited by such insurance policies, to waive its rights of recovery, if any, against Lender and Trustee, their agents and employees, whether resulting from any damage to the Property, any liability claim in connection with the Property or otherwise. If any such insurance policy shall prohibit Borrower from waiving such claims, then Borrower must obtain from such insurance company a waiver of subrogation rights against Lender and Trustee.

Section 3.3. Assignment of Proceeds.

(a) Borrower hereby assigns to Lender the proceeds of all insurance obtained pursuant to this Deed of Trust, all of which proceeds shall be payable to Lender as collateral and further security for the payment of the Debt and the performance of Borrower's obligations, and Borrower hereby authorizes and directs the issuer of any such insurance to make payment of such proceeds directly to Lender. Except as otherwise expressly provided in this Article III, Lender shall have the option, in its discretion, and without regard to the adequacy of its security, to apply all or any part of the proceeds it may receive pursuant to this Article III in such manner as Lender may elect to any one or more of the following: (i) the payment of the Debt, whether or not then due, in any proportion or priority as Lender, in its discretion, may elect, (ii) the repair or Restoration of the Property, (iii) the cure of any Default or Event of Default or (iv) the reimbursement of the costs and expenses of Trustee and Lender in connection with the recovery of the proceeds. Nothing herein contained shall be deemed to excuse Borrower from repairing or maintaining the Property as provided in this Deed of Trust or restoring all damage or destruction to the Property, provided that Lender shall have elected to apply the Net Proceeds to pay for the cost of the Restoration, regardless of the sufficiency of the proceeds, and the application or release by Lender of any proceeds shall not cure or waive any Default or Event of Default or notice of Default.

(b) In the event of sale by Trustee pursuant to the power of sale provided herein or any other conveyance of title or assignment of all or any part of the Property in extinguishment, in whole or in part, of the Debt, all right, title and interest of Borrower in and to all policies of insurance required by this Deed of Trust shall inure to the benefit of the successor in interest to Borrower or the purchaser of the Property. Notwithstanding any provisions of this Deed of Trust to the contrary, Lender shall not be deemed to be a trustee or other fiduciary with respect

to its receipt of any such proceeds, which may be commingled with any other monies of Lender; provided, however, that Lender shall use such proceeds for the purposes and in the manner permitted by this Deed of Trust. Any proceeds deposited with Lender shall be held by Lender in an Eligible Account, but Lender makes no representation or warranty as to the rate or amount of interest, if any, which may accrue on such deposit and shall have no liability in connection therewith. Interest accrued, if any, on the proceeds shall be deemed to constitute a part of the proceeds for purposes of this Deed of Trust. The provisions of this Section 3.3(b) shall survive the termination of this Deed of Trust by sale by Trustee pursuant to the power of sale provided herein or otherwise as consequence of the exercise of the rights and remedies of Lender or Trustee hereunder after a Default.

Section 3.4. Restoration.

(a) In the event of any damage to or destruction of the Property including, without limit, the presence of hazardous materials at, on, under, or about the Property, Borrower shall give prompt written notice thereof to Lender and promptly notify Lender of Borrower's good faith estimate of the cost of repairing or restoring such damage or destruction, and, provided that Lender shall elect to apply the Net Proceeds to pay for the cost of the restoration, replacement, rebuilding or repair of the Property (the "Restoration") (regardless of the sufficiency of such Net Proceeds for such purpose), shall promptly commence and diligently prosecute to completion the Restoration of the Property so damaged or destroyed in full compliance with all Legal Requirements and free and clear from any and all Liens and claims. Borrower shall not adjust, compromise or settle any claim for insurance proceeds without the prior written consent of Lender, not to be unreasonably withheld provided that no Event of Default has occurred and is then continuing; and provided, further, that, except after the occurrence of an Event of Default, Lender's consent shall not be required with respect to the adjustment, compromising or settlement of any claim for insurance proceeds in an amount less than One Hundred Thousand Dollars (\$100,000.00). In the event that Lender elects to allow insurance proceeds to be used for the Restoration, any excess proceeds remaining after completion of such Restoration shall be paid to Borrower; provided, however, that Lender shall be entitled to apply at any time all or any portion of insurance proceeds it then holds to the extent necessary to cure any Event of Default under this Deed of Trust, the LOC Agreement or any other Operative Document.

(b) If Lender elects to allow any insurance proceeds to be used to pay the cost of the Restoration, then such proceeds shall be held by Lender and shall be paid out from time to time to Borrower as the Restoration progresses (less any cost to Trustee or Lender of recovering and paying out such proceeds, including reasonable attorneys' fees and costs allocable to inspecting the Restoration and the plans and specifications therefor) subject to such conditions as Lender may impose in its sole and absolute discretion. If the Improvements will not, in the reasonable opinion of Lender, appraise for an amount to maintain the debt to collateral value ratio existing as of the execution date of this Deed of Trust, then Lender may require additional collateral as a condition to consenting to application of funds to Restoration.

(c) If Borrower shall fail in any respect to comply with its Restoration obligations under this Section 3.4, then, in addition to all other rights available hereunder, at law or in equity, Lender, Trustee or any receiver of the Property or any portion thereof, upon five (5) days prior notice to Borrower (except in the event of emergency in which case no notice shall be required), may (but shall have no obligation to) perform or cause to be performed such Restoration, and may take such other steps as it deems advisable. Borrower hereby waives any claim, other than for gross negligence or willful misconduct, against Lender, Trustee and any receiver arising out of any act or omission of Lender, Trustee or such receiver pursuant hereto, and Lender may apply all or any portion of the proceeds (without the need to fulfill any other requirements of this Section 3.4) to reimburse Lender, Trustee and such receiver, for all costs not reimbursed to Lender, Trustee or such receiver upon demand together with interest thereon at the Default Rate from the date such amounts are advanced until the same are paid to Lender, Trustee or the receiver, as the case may be.

(d) Borrower hereby irrevocably appoints Lender as its attorney-in-fact, coupled with an interest, to obtain, collect and receive any insurance proceeds paid with respect to any portion of the Property or the insurance policies required to be maintained hereunder, and to endorse any checks, drafts or other instruments representing any insurance proceeds whether payable by reason of loss thereunder or otherwise (the foregoing shall not limit Borrower's rights to adjust, compromise or settle any claim for insurance proceeds (provided no Event of Default has occurred and is continuing) as provided in Section 3.4(a) above).

Section 3.5. Comply with Insurance Requirements. Borrower promptly shall comply with, and shall cause the Property to comply with, all Insurance Requirements, even if such compliance requires structural changes or improvements or would result in interference with the use or enjoyment of the Property or any portion thereof. Borrower shall not by any action or omission invalidate any insurance policy required to be carried hereunder or materially increase the premiums on any such policy above the normal premium charged by the carrier of such policy.

ARTICLE IV. **IMPOSITIONS**

Section 4.1. Payment of Taxes, etc.; Establishment of Accounts.

(a) Except to the extent provision is actually made therefor pursuant to Section 4.1(c), Borrower shall pay or cause to be paid all Impositions at least five (5) days prior to the date upon which any fine, penalty, interest or cost for nonpayment is imposed, and furnish to Lender upon request receipted bills of the appropriate taxing authority or other documentation reasonably satisfactory to Lender evidencing the payment. If Borrower shall fail to pay any Imposition in accordance with this Section, Lender or Trustee shall have the right, but shall not be obligated, to pay that Imposition, and Borrower shall repay to Lender or Trustee, as the case may be, on demand, any amount paid by Lender or Trustee, as the case may be, with interest thereon at the Default Rate from the date of the advance thereof to the date of repayment, and such amount shall

constitute a portion of the Debt secured by this Deed of Trust. If, however, any Legal Requirement shall allow that any Imposition may, at Borrower's option, be paid in installments (whether or not interest shall accrue on the unpaid balance of such Imposition), Borrower may exercise the option to pay such Imposition in such installments, and, in such event, Borrower shall be responsible for the payment of all such installments, together with the interest, if any, thereon, in accordance with the provisions of the applicable Legal Requirement.

(b) Except to the extent provision is actually made therefor pursuant to Section 4.1(c), Borrower shall, prior to the date upon which any fine, penalty, interest or cost for the nonpayment is imposed, pay or cause to be paid all (i) charges for electricity, power, gas, water and other services and utilities in connection with the Property, and (ii) taxes, charges, filing, registration and recording fees, excises and levies imposed upon Lender or Trustee by reason of or in connection with its ownership of the Property and any Operative Document or any other instrument related thereto, or resulting from the execution, delivery and recording of, or the lien created by, or the obligation evidenced by, any of them, other than income, franchise and other similar taxes imposed on Lender or Trustee, and Borrower shall pay all corporate stamp taxes, if any, and other taxes, required to be paid on the Operative Documents and shall, upon request, deliver to Lender receipts evidencing payment or other documentation reasonably satisfactory to Lender. If Borrower shall fail to pay any amount required to be paid by Borrower pursuant to this Section and is not contesting such charges in accordance with Section 4.4, Lender or Trustee, as the case may be, shall have the right, but shall not be obligated, to pay that amount, and Borrower will repay to Lender or Trustee, as the case may be, on demand, any amount paid by Lender or Trustee, as the case may be, with interest thereon at the Default Rate from the date of the advance thereof to the date of repayment, and such amount shall constitute a portion of the Debt secured by this Deed of Trust.

(c) Notwithstanding any provision of this Deed of Trust, including, without limitation, this Section 4.1, to the contrary, Lender shall have the right (but no obligation), at any time and from time to time, and without regard to whether a default or Event of Default shall have occurred hereunder and be continuing, to require that Borrower establish and maintain one or more accounts (the "Accounts") for the purpose of payment of Impositions, insurance premiums, maintenance, repairs or capital improvements to the Property, or payment of costs of prevention of, or clean-up or remediation of, environmental, health or safety conditions at the Property. Such Accounts shall be established promptly upon Lender's notice to Borrower that the same shall be required hereunder and the deposit of monies into any such Account shall be made or commence, if deposits are to be made in installments, on the payment date identified in Lender's notice, but in no event shall such date be less than thirty (30) days from the date of such notice. All Accounts established pursuant to this Section 4.1(c) are, and shall be additional security for the Debt secured hereby and Borrower hereby grants to Lender a security interest therein. All Accounts shall be maintained in Eligible Accounts. No Account shall, unless otherwise explicitly required by applicable law, be or be deemed to be escrow or trust funds, but, at Lender's option and in Lender's discretion, may either be held in a separate account or be commingled by Lender with the general funds of Lender. Except as otherwise expressly agreed by Lender in writing, no interest on any such Account or the funds contained therein shall be paid or payable to Borrower, and Lender makes no

representation or warranty as to the rate or amount of interest, if any, which may accrue thereon and shall have no liability in connection therewith. Upon assignment of this Deed of Trust by Lender, any funds in any such Account shall be turned over to the assignee and any responsibility of Lender, as assignor, with respect thereto shall terminate. If the total of any Account shall exceed the amount of payments actually applied by Lender for the purposes of such Account, such excess may be credited by Lender on subsequent payments to be made hereunder or, at the option of Lender, refunded to Borrower. If, however, any Account shall not contain sufficient funds to pay the sums required when the same shall become due and payable, Borrower shall, within ten (10) days after receipt of written notice thereof, deposit with Lender the full amount of any such deficiency. If Borrower shall fail to deposit with Lender the full amount of such deficiency as provided above, Lender shall have the right, but not the obligation, to make such deposit and all amounts so deposited by Lender, together with interest thereon at the Default Rate from the date incurred by Lender until actually paid by Borrower, shall be immediately paid by Borrower on demand and shall be secured by this Deed of Trust and by all of the other Operative Documents securing all or any part of the Debt evidenced by the LOC Agreement. If there is a default under this Deed of Trust, which default is not cured within any applicable grace period, Lender may, but shall not be obligated to, apply at any time the balance then remaining in any such Account against the Debt secured hereby in whatever order Lender shall determine in its sole discretion. No such application of any such Account shall be deemed to cure any default hereunder. Upon full payment of the Debt secured hereby or at such earlier time as Lender may elect, the balance of the Accounts then in Lender's possession shall be paid over to Borrower and no other party shall have any right or claim thereto.

Section 4.2. Deduction from Value. In the event of the passage after the date of this Deed of Trust of any Legal Requirement deducting from the value of the Property for the purpose of taxation, amounts in respect of any Lien thereon or changing in any way the Legal Requirements now in force for the taxation of this Deed of Trust and/or the Debt for federal, state or local purposes, or the manner of the collection of any such taxes so as to adversely affect the interest of Lender, or impose any tax or other charge on any Operative Document, then Borrower will pay such tax, with interest and penalties thereon, if any, within the statutory period. In the event Lender receives an opinion of counsel (the cost of which shall be paid by Borrower upon demand) chosen by it that the payment of such tax or interest and penalties by Borrower would be unlawful, or taxable to Lender or unenforceable or provide the basis for a defense of usury, or entitle Borrower to any credit against the Debt, then in any such event, Lender shall have the option, by written notice of not less than thirty (30) days, to declare the Debt immediately due and payable.

Section 4.3. No Joint Assessment. Borrower shall not consent to or initiate the joint assessment of the Premises and the Improvements (i) with any other real property constituting a separate tax lot and (ii) with any portion of the Property which may be deemed to constitute personal property, or any other procedure whereby the lien of any taxes which may be levied against such personal property shall be assessed or levied or charged to the Property as a single lien.

Section 4.4. Right to Contest. After prior notice to Lender, Borrower shall have the right, at its sole expense, to contest by appropriate legal proceedings diligently conducted in good

faith, without cost or expense to Lender or Trustee or any of their respective agents, employees, officers or directors, the validity, amount or application of any Imposition or any charge described in Section 4.1(b), provided that (i) no Event of Default shall exist, and no other event shall have occurred which, with the giving of notice or lapse of time, or both, would constitute an Event of Default hereunder during such proceedings and such contest shall not subject the Property or any portion thereof to any Lien or affect the priority of the lien of this Deed of Trust, (ii) failure to pay such Imposition or charge will not subject Lender, Trustee or any of their agents, employees, officers or directors, to any civil or criminal liability, (iii) the contest suspends enforcement of the Imposition or charge and such contest is maintained and prosecuted with diligence, (iv) Lender does not believe that non-compliance with the contested Imposition or charge would have a material adverse effect upon the business of Borrower or the Property, and (v) prior to and during such contest, Borrower shall furnish to Lender security satisfactory to Lender, in its reasonable discretion, against loss or injury by reason of such contest or the non-payment of such Imposition or charge (and if such security is cash, Lender shall deposit the same in an Eligible Account and interest accrued thereon, if any, shall be deemed to constitute a part of such security for purposes of this Deed of Trust, but Lender (a) makes no representation or warranty as to the rate or amount of interest, if any, which may accrue thereon and shall have no liability in connection therewith and (b) shall not be deemed to be a trustee or fiduciary with respect to its receipt of any such security and any such security may be commingled with other monies of Lender). Notwithstanding any such reserves or the furnishing of any bond or other security, Borrower promptly shall pay any contested Imposition or charge, and compliance therewith or payment thereof shall not be deferred, if, at any time, the Property or any portion thereof shall be in danger of being forfeited or lost by reason of any such contest or non-payment of any such Imposition or charge. Upon completion of any contest, Borrower shall immediately pay the amount due, if any, and deliver to Lender proof of the completion of the contest and payment of the amount due, if any, following which, Lender shall return the security, if any, deposited with Lender pursuant to clause (v) of this Section 4.4. Borrower shall deliver copies of all notices relating to any Imposition or other charge covered by this Article IV to Lender.

Section 4.5. Documentary Stamps. If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Bond or this Deed of Trust, or impose any other tax or charge on the same, Borrower will pay for the same, with interest and penalties thereon, if any.

ARTICLE V. MANAGEMENT

Section 5. Management. The management of the Property shall be by either: (a) Borrower or an affiliate of Borrower approved by Lender for so long as Borrower or said affiliated entity is managing the Property in a first class manner satisfactory to Lender; or (b) a professional property management company approved by Lender, which approval shall not be unreasonably withheld. Such management by an affiliated entity or a professional property management company shall be pursuant to a written agreement approved by and collaterally assigned to Lender. In no event

shall any manager be removed or replaced or the terms of any management agreement modified or amended without the prior written consent of Lender. In the event of default hereunder or under any management contract then in effect, which default is not cured within any applicable grace or cure period, Lender shall have the right to terminate, or to direct Borrower to terminate, such management contract upon thirty (30) days' notice and to retain, or to direct Borrower to retain, a new management agent approved by Lender.

ARTICLE VI. CONDEMNATION

Section 6.1. Condemnation. (a) Borrower shall notify Lender immediately of the commencement or threat of any Taking of the Property or any portion thereof. Lender is hereby irrevocably appointed as Borrower's attorney-in-fact, coupled with an interest, with exclusive power to collect, receive and retain the proceeds of any such Taking and to make any compromise or settlement in connection with such proceedings, but subject to Borrower's right to participate in condemnation proceedings as hereinafter provided, and to give, execute and deliver on behalf of Borrower proper receipts and acquittances therefor subject to the provisions of this Deed of Trust; provided, however, if no Event of Default has occurred and is then continuing, Borrower may participate in any such proceedings and shall be authorized and entitled to compromise or settle any such proceeding with respect to condemnation proceeds in an amount less than One Hundred Thousand Dollars (\$100,000). Borrower shall execute and deliver to Lender any and all instruments, proofs of loss, receipts, vouchers and releases reasonably required in connection with any such proceeding promptly after request therefor by Lender and shall cooperate with Lender in connection therewith. All proceeds of any Taking, or purchase in lieu thereof, of the Property or any portion thereof are hereby assigned to and shall be paid to Lender free and clear of all liens and encumbrances. Each Government Authority is hereby authorized and directed to make payment of all proceeds and awards in connection with any Taking directly to Lender and Lender is hereby authorized to endorse any draft therefor as Borrower's attorney-in-fact. With respect to condemnation proceeds in an amount in excess of One Hundred Thousand Dollars (\$100,000), Borrower hereby authorizes Lender to compromise, settle, collect and receive such proceeds, and to give, execute and deliver on behalf of Borrower proper receipts and acquittances therefor; and, provided that no Event of Default has occurred and is then continuing, Borrower may participate in such proceedings, but in no event shall Borrower adjust, compromise, settle or enter into any agreement with respect to such proceedings without the prior written consent of Lender, which may be withheld in Lender's sole and absolute discretion. Lender shall have the option, in Lender's sole discretion, to hold such condemnation proceeds (less any cost to Trustee and Lender of recovering and paying out such proceeds, including, without limitation, reasonable attorneys' fees and costs allocable to inspecting any repair, restoration or rebuilding work and the plans and specifications therefor) as additional Collateral or to allow such proceeds to be used for the Restoration for the sole purpose of restoring the Property. In the event Lender elects to make condemnation proceeds available to be used toward the Restoration, such proceeds shall be disbursed in the manner and subject to such conditions as Lender may impose in its sole discretion; it being understood and

agreed, however, that Lender shall have no obligation whatsoever to see to the proper application of any award or proceeds so paid to Borrower to pay for such Restoration.

(b) In the case of any Taking, Trustee and Lender, to the extent that they have not been reimbursed by Borrower, shall be entitled, as a first priority out of any award, to reimbursement for all of their costs, fees, reimbursements and expenses reasonably incurred in the determination and collection of any award. All awards deposited with Lender pursuant to this Section, until expended or applied as provided herein, may be commingled with the general funds of Lender and shall constitute additional security for the payment of the Debt and the payment and performance of Borrower's obligations hereunder and under the Operative Documents, but Lender shall not be deemed a trustee or other fiduciary with respect to its receipt of such award or any part thereof.

ARTICLE VII. LEASES AND RENTS

Section 7.1. Assignment. (a) Borrower does hereby bargain, transfer, pledge, convey, sell, assign and set over unto Lender all Leases and Rents. The assignment of Leases and Rents in this Section is an absolute, unconditional and present assignment from Borrower to Lender and not an assignment for security and the existence or exercise of Borrower's revocable license to collect Rent shall not operate to subordinate this assignment to any subsequent assignment, and such assignment shall be fully operative without any further action on the part of any party, and Lender shall be entitled upon occurrence of an Event of Default under any of the Operative Documents to all Rents, whether or not Lender takes possession of the Property or any part thereof. The exercise by Lender of any of its rights or remedies pursuant to this Section 7.1 shall not be deemed to make Lender a mortgagee-in-possession.

(b) So long as there shall exist and be continuing no Event of Default, Borrower shall have a revocable license to take all actions with respect to all Leases, present and future, subject to the terms of this Deed of Trust and the separate Assignment of Leases and Rents and Security Deposits of even date herewith from Borrower to Lender pertaining to the Property.

(c) Borrower agrees to deliver to Lender, within thirty (30) days after Lender's request, a true and complete copy of every Lease and, within ten (10) days after Lender's request, a complete list of the Leases, certified pursuant to an Officer's Certificate stating the demised premises, the names of the Lessees, the Rent payable under the Leases, the date to which such Rents have been paid, the terms of the Leases, the dates of occupancy, the dates of expiration, any Rent concessions, work obligations or other inducements granted to the Lessees, and any renewal options.

(d) Upon the occurrence of an Event of Default, the license granted hereinabove automatically shall terminate without notice to Borrower, and Lender, Trustee or a

receiver may thereupon or at any time thereafter (i) enter upon the Property, and collect, retain and apply the Rents toward payment of the Debt in such priority and proportions as Lender in its discretion shall deem proper, (ii) dispossess by the usual summary proceedings any lessee defaulting in making any payment due under any Lease or sublease to Lender, Trustee or such receiver or defaulting in the performance of any of its other obligations under its Lease or sublease, (iii) let the Premises, the Improvements or any portion thereof, (iv) apply the Rents on account of the Debt, and (v) perform such other acts as Lender or Trustee is entitled to perform hereunder. Such assignment and grant shall continue in effect until the entire amount of the Debt shall be paid in full and all of the obligations shall be fully performed in accordance with this Deed of Trust and the other Operative Documents. The execution of this Deed of Trust constitutes and evidences the irrevocable consent of Borrower to the entry upon and taking possession of the Premises, the Improvements, the Fixtures and the Equipment by Lender, Trustee or such receiver.

(c) In addition to the rights which Lender may have herein, upon the occurrence of any Event of Default, Lender, at its option, may require Borrower to pay monthly in advance to Lender, Trustee or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be in the possession of Borrower and may require Borrower to vacate and surrender possession of the Property to Lender, Trustee or such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise.

Section 7.2. Lease Forms, Renewals, etc.

(a) All Leases shall provide that unless a lender, ground or underlying lessor elects otherwise with respect to an interest held by it, they are subordinate to mortgages, deeds of trust and ground or underlying leases, and that upon the foreclosure of a mortgage or deed of trust or termination of a ground or underlying lease, the lessee will attorn to the mortgagee, beneficiary or lessor, as the case may be, or to their successors, designees, and assigns (collectively "Successors") unless a mortgagee, ground or underlying lessor or beneficiary under a deed of trust elects otherwise. Each such Lease shall also provide that, upon request of said Successor, the lessee shall execute and deliver an instrument or instruments confirming such subordination and the lessee's agreement to attorn as provided for in this Section; provided, however, that neither Lender nor any Successor shall be bound by any payment of rental for more than one month in advance, or any amendment or modification of said lease or rental agreement made without the express written consent of Lender or said Successor.

(b) Borrower (i) shall observe and perform all the obligations imposed upon the lessor under the Leases and pursuant to applicable Legal Requirements; (ii) shall not do or permit to be done anything to impair the value of the Leases as security for the Debt; and (iii) shall not, without the prior written consent of Lender, modify any of the Leases, terminate or accept the assignment or surrender of any Leases, or waive or release any other party from the performance or observance of any obligation or condition under such Leases.

(c) Upon the occurrence of an Event of Default, whether before or after the whole principal sum secured hereby is declared to be immediately due or whether before or after the institution of any sale by Trustee of the Property or any portion thereof by Trustee pursuant to the power of sale provided herein or otherwise, Lender shall have, and Borrower hereby gives and grants to Lender, the right, power and authority to make and enter into Leases with respect to the Premises and Improvements or portions thereof for such rents and for such periods of occupancy and upon conditions and provisions as Lender may deem desirable in its sole discretion, and Borrower expressly acknowledges and agrees that the term of such Lease may extend beyond the date of any sale by Trustee of the Property; Borrower hereby irrevocably appoints Lender, Trustee and any receiver of the Property as the attorneys-in-fact of Borrower coupled with an interest for the purpose of making and entering into Leases of parts or portions of the Property for the rents and upon the terms, conditions and provisions deemed desirable to Lender in its sole discretion and with like effect as if such Leases had been made by Borrower as the owner in fee simple of the Property free and clear of any conditions or limitations established by this Deed of Trust. In connection with any action taken by Lender, Trustee or any receiver of the Property pursuant to this Section, Lender, Trustee or any receiver of the Property shall not be liable for any loss sustained by Borrower resulting from any failure to let the Property, or any part thereof, or from any other act or omission of Lender, Trustee or any receiver of the Property in managing the Property, nor shall Lender, Trustee or any receiver of the Property be obligated to perform or discharge any obligation, duty or liability under any Lease covering the Property or any part thereof or under or by reason of this instrument or the exercise of rights or remedies hereunder.

ARTICLE VIII.
MAINTENANCE AND REPAIR

Section 8.1. Maintenance and Repair of the Property; Alterations. Borrower hereby covenants and agrees:

(a) Borrower shall not (i) desert or abandon the Property or (ii) change, without Lender's prior written consent, the use of the Property.

(b) Borrower shall, at its expense, (i) maintain the Property and the sidewalks and curbs adjoining the Property and shall keep the same in good, safe and insurable condition and in compliance with all existing and future applicable Legal Requirements, (ii) provided that Lender shall have elected to apply the Net Proceeds to pay for the cost of the Restoration, promptly make all repairs to the Property, interior and exterior, structural and nonstructural, ordinary and extraordinary, unforeseen and foreseen, and maintain the Property in a manner appropriate for similar buildings for their present uses and (iii) not commit or suffer to be committed any waste of the Property or do or suffer to be done anything which will increase the risk of fire or other hazard to the Property, impair the value thereof or take any actions which might

invalidate any insurance carried on the Property. Borrower shall keep the sidewalks, vaults, gutters and curbs comprising, in front of or adjacent to, the Property, clean and free from dirt, snow, ice, rubbish and obstructions. All repairs made by Borrower shall be made with first-class materials, in a good and workmanlike manner, shall be equal or better in quality and class to the original work and shall comply with all applicable Legal Requirements and Insurance Requirements. As used herein, the terms "repair" and "repairs" shall be deemed to include all necessary replacements.

(c) Borrower shall not demolish, remove, construct, and, except as otherwise expressly provided herein, restore, or alter the Property or any portion thereof; nor consent to or permit any such demolition, removal, construction, restoration, addition or alteration without Lender's prior written consent in each instance, which consent may be given or withheld in Lender's sole discretion; notwithstanding the foregoing, Lender's consent shall not be required with respect to non-structural, interior alterations involving less than Twenty-Five Thousand Dollars (\$25,000) to complete, as evidenced by an Officer's Certificate delivered to Lender prior to the commencement of such alteration.

(d) Borrower represents and warrants to Lender that (i) there are no fixtures, machinery, apparatus, tools, equipment or articles of personal property attached or appurtenant to, or located on, or used in connection with the management, operation or maintenance of the Property, except for the Equipment and equipment leased by Borrower for the management, operation or maintenance of the Property in accordance with the Operative Documents; and (ii) all of the Equipment is free and clear of all Liens, except for the lien of this Deed of Trust and the Permitted Encumbrances.

(e) Notwithstanding the provisions of this Deed of Trust to the contrary, Borrower shall have the right, at any time and from time to time, to remove and dispose of Equipment which may have become obsolete or unfit for use or which is no longer useful in the management, operation or maintenance of the Property. Borrower shall promptly replace any such Equipment so disposed of or removed with other Equipment of at least equal quality, value, serviceability and use, free of superior title, liens and claims; except that, if by reason of technological or other developments in the operation and maintenance of buildings of the general character of any Improvement, replacement of the Equipment so removed or disposed of is not necessary or desirable for the proper management, operation or maintenance of the Property, Borrower shall not be required to replace the same. All such replacements or additional equipment shall be deemed to constitute Equipment and shall be covered by the security interest herein granted.

ARTICLE IX.

TRANSFER OR ENCUMBRANCE OF THE PROPERTY

Section 9.1. Other Encumbrances. Borrower shall not further encumber or permit the further encumbrance in any manner (whether by grant of a mortgage, pledge, security interest or otherwise) of the Property or any part thereof or interest therein, including, without limitation, the

Rents therefrom, without the prior written consent of Lender which may be withheld or conditioned in Lender's sole and absolute discretion. In addition, except as expressly permitted pursuant to the Operative Documents, if Borrower is not a natural person, Borrower shall not further encumber and shall not permit the further encumbrance in any manner (whether by grant of a pledge, security interest or otherwise) of Borrower or any direct or indirect interest in Borrower, without the prior written consent of Lender which may be withheld or conditioned in Lender's sole and absolute discretion. Any such encumbrance without Lender's prior written consent shall constitute an Event of Default without notice to Borrower.

Section 9.2. No Transfer. Borrower may not sell, give, grant, pledge, convey, or otherwise transfer all or any portion of the Property or any interest therein, whether voluntarily, involuntarily or by operation of law, nor, if Borrower is not a natural person, may any direct or indirect interest in Borrower be so transferred, without the prior written consent of Lender, which may be withheld or conditioned in Lender's sole and absolute discretion. Any such transfer without Lender's prior written consent shall constitute an Event of Default without notice to Borrower.

Section 9.3. Conditions to Consent. Lender reserves the right to condition any consent required pursuant to this Article IX with respect to a transfer of the Property, any part thereof or interest therein upon (i) the payment of all expenses incurred by Lender as set forth below, (ii) Lender's approval of the financial condition, managerial capabilities and ownership structure of the proposed transferee, (iii) execution of an assumption agreement by the proposed transferee, in form and content acceptable to Lender, and (iv) the Bonds and the Letter of Credit being in good standing and free from any default, or such other conditions as Lender shall determine in its sole discretion to be in the interest of Lender. Borrower agrees to pay on demand all expenses (including, without limitation, reasonable attorney's fees and disbursements, title search costs and title insurance endorsement premiums) incurred by Lender in connection with the review, approval and documentation of any transfer.

ARTICLE X. FINANCIAL STATEMENTS AND CERTIFICATES

Section 10.1. Estoppel Certificates. After request by Lender, Borrower, within fifteen (15) days and at its expense, will furnish Lender with a statement, duly acknowledged and certified, setting forth (a) any offsets or defenses to the payment of the Debt, and if any are alleged, the nature thereof, (b) that this Deed of Trust and the LOC Agreement have not been modified or if modified, giving particulars of such modification and (f) that there has occurred and is then continuing no default or Event of Default pursuant to the LOC Agreement or this Deed of Trust or any event or circumstance which, with the giving of notice or the passage of time, or both, would constitute a default or Event of Default hereunder, or if such default, Event of Default, event or circumstance exists, the nature thereof, the period of time it has existed, and the action being taken to remedy such default, Event of Default, event or circumstance.

Section 10.2. Financial Statements and Books and Records. Borrower shall keep accurate books and records of account of the Property and its own financial affairs sufficient to permit the preparation of financial statements therefrom in accordance with generally accepted accounting principles. Lender and its duly authorized representatives, agents, and employees shall have the right to examine, copy and audit Borrower's records and books of account at all reasonable times and, except during an emergency or following the occurrence and during the continuance of an Event of Default, upon reasonable advance written notice.

Upon the occurrence of an Event of Default, Lender, in addition to any other rights and remedies contained herein, shall have the right (but no obligation) to make or cause to be made such inspections of the Property and such audits of Borrower and/or the Property as Lender shall, in its sole discretion, determine, by such Person(s) as Lender shall deem proper, and Borrower agrees to pay, or to reimburse Lender for, any expense incurred therefor and further agrees to provide and/or make available all necessary information and personnel and to otherwise cooperate in connection with any such inspection or audit. Without limiting the generality of the foregoing, if Borrower shall default in its obligations under this Section 10.2 to provide any financial statements or other information required hereunder, then, if such default shall remain outstanding on the first day of the first calendar month following the occurrence thereof, Borrower shall pay to Lender an administrative fee of \$250 on such date and on the first day of each calendar month thereafter if such default shall continue during any portion of the preceding month. Borrower agrees that such administrative fee is a fair and reasonable fee necessary to compensate Lender for its additional administrative costs under the circumstances and is not a penalty.

ARTICLE XI. SECURITY AGREEMENT; FIXTURE FILING

Section 11.1. Security Agreement; Fixture Filing.

(a) This Deed of Trust is both a deed of trust creating a security interest and lien in real property and a "security agreement" within the meaning of the UCC. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Borrower in the Property. This Deed of Trust further constitutes a financing statement filed as a fixture filing and covers goods which are or are to become fixtures on the Property. Borrower hereby grants to Lender, as security for the Debt, a security interest in the Property to the full extent that the Property may be subject to the UCC of the State (said portion of the Property so subject to the UCC being called in this paragraph the "Collateral"). If an Event of Default shall occur, Lender, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the UCC. Any disposition pursuant to the UCC of so much of the Collateral as may constitute personal property shall be considered commercially reasonable if made pursuant to a public sale which is advertised at least twice in a newspaper published in the county in which the Premises are located, or, if none is so published, in some paper having a general circulation therein. Any notice of sale, disposition or other intended action by Lender with respect

to the Collateral given to Borrower in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute reasonable notice to Borrower. The proceeds of any disposition of the Collateral, or any part thereof, may be applied by Lender to the payment of the Debt in such priority and proportions as Lender in its discretion shall deem proper.

(b) Borrower hereby irrevocably appoints Lender as its attorney-in-fact, coupled with an interest, to file with the appropriate public office on its behalf any financing, continuation or other statements signed only by Lender, as secured party, in connection with the Collateral covered by this Deed of Trust.

ARTICLE XII. DEFAULTS

Section 12.1. Events of Default. The Debt shall become immediately due at the option of Lender upon any one or more of the following events ("Event of Default"):

(a) the occurrence of a "Default" or an "Event of Default" as described and defined in any of the Operative Documents;

(b) Lender does not receive any amount when due under the terms of the LOC Agreement;

(c) failure on the part of any of the Borrowers to perform or observe any other term, covenant or agreement contained in the LOC Agreement or in any of the Operative Documents to which they are a party on their part to be performed or observed and (a) with respect to any such term, covenant or agreement contained herein, any such failure remains unremedied for 60 days after the earlier of its discovery by the Borrowers or written notice thereof to the Borrowers by the Lender; and (b) with respect to any such term, covenant or agreement contained in any of the other Operative Documents to which the Borrowers are a party, any such failure remains unremedied after any applicable grace period specified in such Operative Documents; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Lender will not unreasonably withhold its consent to an extension of such time if it is possible to correct such failure and corrective action is instituted by the Borrowers within the applicable period and diligently pursued until the failure is corrected; or in the case of any such failure which can be cured with due diligence but not within the 60-day period, the Borrowers' failure to proceed promptly to cure such default and thereafter prosecute the curing of such default with due diligence;

(d) any warranty, representation or other written statement made by or on behalf of any of the Borrowers contained in the LOC Agreement, and Deed of Trust, in any of the other Operative Documents to which they are a party or in any instrument furnished in

compliance with or in reference to the LOC Agreement is false or misleading in any material respect on the date as of which made;

(e) any of the Borrowers shall fail to pay its debts generally as they come due, or shall file any petition or action for relief under any bankruptcy, reorganization, insolvency or moratorium law, or any other law or laws for the relief of, or relating to, debtors;

(f) an involuntary petition shall be filed under any bankruptcy statute against any of the Borrowers, or a custodian, receiver, trustee, assignee for the benefit of creditors (or other similar official) shall be appointed to take possession, custody, or control of the properties of such Borrower, unless such petition or appointment is set aside or withdrawn or ceases to be in effect within sixty (60) days from the date of said filing or appointment;

(g) any default shall occur under any other agreement involving (1) the borrowing of money in the amount of \$5,000,000 or greater or (2) the material extension of credit in the amount of \$5,000,000 or greater under which any Borrower may be obligated as borrower or guarantor, if such default consists of the failure to pay any indebtedness when due or if such default causes the acceleration of any indebtedness or the termination of any commitment to lend, or if such default permits, or would permit with notice and/or the passage of time, the holder of any such obligation to accelerate any indebtedness or to terminate any commitment to lend;

(h) if the insurance policies required hereunder are not kept in full force and effect, or if the insurance policies and proceeds are not assigned and delivered to Lender as herein provided;

(i) if Borrower attempts to assign its rights under this Deed of Trust or any other Operative Document or any interest herein or therein, or if any transfer of the Property or of any interest in Borrower occurs other than in accordance with the provisions hereof;

(j) if any representation, warranty or covenant of Borrower made herein or in any other Operative Document or in any certificate, report, financial statement or other instrument or agreement furnished to Lender shall prove false or misleading in any material respect;

(k) if the Property becomes subject (i) to any Lien which is superior to the lien of this Deed of Trust, other than a Lien for real estate taxes and assessments not due and payable, or (ii) to any mechanic's, materialman's or other Lien which is or is asserted to be superior to the lien of this Deed of Trust, and such shall Lien not be discharged (by payment, bonding, or otherwise) within thirty (30) days unless contested in accordance with the terms hereof; or

(l) if the Property, or any part thereof, is subjected to waste or to removal, demolition or material alteration so that the value of the Property is materially diminished thereby; and Lender determines (in its subjective determination) that it is not adequately protected from any loss, damage or risk associated therewith;

Section 12.2. Remedies.

(a) Upon the occurrence and during the continuance of any Event of Default, Lender and, upon request of Lender, Trustee may, in addition to any other rights or remedies available to Lender and Trustee hereunder, at law or in equity, take such action, without notice or demand, as Lender deems advisable to protect and enforce its rights against Borrower or any one or more of them and in and to the Property or any one or more of them, including, but not limited to, the following actions, each of which may be pursued singly, concurrently or otherwise, at such time and in such order as Lender or Trustee may determine, in their sole discretion, without impairing or otherwise affecting any other rights and remedies of Lender or Trustee hereunder, at law or in equity: (i) declare all or any portion of the unpaid Debt to be immediately due and payable; or (ii) with or without a sale by Trustee of the Property pursuant to the power of sale provided herein and without applying for a receiver for the Rents and without any payment of rent or other compensation to Borrower, but subject to the rights of the tenants under the Leases, enter into or upon the Property or any part thereof, either personally or by its agents, nominees or attorneys, and dispossess Borrower and its agents and servants therefrom, and thereupon Lender or Trustee may (A) subject to the rights of the tenants under the Leases, use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat, (B) subject to the rights of the tenants under the Leases, make alterations, additions, renewals, replacements and improvements to or on the Property or any part thereof, (C) exercise all rights and powers of Borrower with respect to the Property or any part thereof, whether in the name of Borrower or otherwise, including, without limitation, the right to make, cancel, enforce or modify leases and contracts, obtain and evict tenants, and demand, sue for, collect and receive all earnings, revenues, rents, issues, profits and other income of the Property and every part thereof, and (D) apply the receipts from the Property or any part thereof to the payment of the Debt, after deducting therefrom all expenses (including, without limitation, reasonable attorneys' fees and disbursements) reasonably incurred in connection with the aforesaid operations and all amounts necessary to pay the taxes, assessments, insurance and other charges in connection with the Property or any part thereof, as well as just and reasonable compensation for the services of Lender's and Trustee's third-party agents; or (iii) have an appraisal or other valuation of the Property or any part thereof wholly satisfactory to Lender in form and content performed by a licensed real estate appraiser wholly satisfactory to Lender (and Borrower covenants and agrees it shall cooperate in causing any such valuation or appraisal to be performed) and any cost or expense incurred by Lender or Trustee in connection therewith shall constitute a portion of the Debt and be secured by this Deed of Trust and shall be immediately due and payable to Lender or Trustee, as the case may be, with interest, at the Default Rate, until the date of payment to Lender or Trustee, as the case may be; or (iv) sell the Property or

any part thereof and any or all estate, claim, demand, right, title and interest of Borrower therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, in whole or in parcels, in any order or manner, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law, at the discretion of Lender, and in the event of a sale of less than all of the Property, this Deed of Trust shall continue as a lien on the remaining portion of the Property; or (v) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained in the Operative Documents, or any of them; or (vi) recover judgment on the Debt or any guaranty either before, during or after (or in lieu of) any proceedings for the enforcement of this Deed of Trust; or apply, ex parte, for the appointment of a custodian, trustee, receiver, liquidator or conservator of the Property or any part thereof, irrespective of the adequacy of the security for the Debt and without regard to the solvency of Borrower or of any Person liable for the payment of the Debt, to which appointment Borrower does hereby consent and such receiver or other official shall have all rights and powers permitted by applicable law and such other rights and powers as the court making such appointment may confer, but the appointment of such receiver or other official shall not impair or in any manner prejudice the rights of Lender or Trustee to receive the Rent with respect to any of the Property pursuant to this Deed of Trust or the separate Assignment of Leases and Rents and Security Deposits of even date herewith from Borrower to Lender; or (vii) require, at Lender's option, Borrower to pay monthly in advance to Lender, Trustee or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of any portion of the Property occupied by Borrower and may require Borrower to vacate and surrender possession to Lender of the Property or to Trustee or such receiver and Borrower may be evicted by summary proceedings or otherwise; or (viii) pursue any or all such other rights or remedies as Lender or Trustee may have under applicable law or in equity; provided, however, that the provisions of this Section 12.2(a) shall not be construed to extend or modify any of the notice requirements or grace periods provided for hereunder or under any of the other Operative Documents. Borrower hereby waives, to the fullest extent permitted by Legal Requirements, any defense Borrower might otherwise raise or have by the failure to make any tenants parties to a sale by Trustee of the Property pursuant to the power of sale provided herein and to foreclose their rights in any proceeding instituted by Trustee or Lender.

(b) If the Lender elects to cause the Property or any portion thereof to be sold, Trustee shall sell the Property in accordance with the following:

(i) Trustee may cause any such sale or other disposition to be conducted immediately upon the occurrence of any Event of Default (or immediately upon the expiration of any redemption or reinstatement period required by law and not capable of being waived by Borrower), or Trustee may delay any such sale or other disposition for such period of time as Lender deems to be in its best interest. Should Lender desire that more than one such sale or other disposition be conducted, Lender may, at its option, cause Trustee to conduct such sales simultaneously, or successively, on the same day, or at such different days or times and in such order as Lender may deem to be in its best interest.

(ii) The Trustee, or the agent or successor of Trustee, at the request of Lender, may sell the Property or any part of the Property at one or more public sales at the courthouse of the county in which the Premises or any part of the Premises is situated, at public outcry, to the highest bidder for cash or such other terms as the Trustee may determine, and in bar of the right and equity of redemption, statutory right of redemption, homestead, dower, appraisement, stay, elective share and all other rights and exemptions of every kind, all of which are hereby expressly waived by Borrower, in order to pay the secured indebtedness and all expenses of sale and of all proceedings in connection therewith, including reasonable attorney's fees, after advertising the time, place and terms of sale at least once a week for three (3) consecutive weeks preceding the date of such sale in some newspaper published in the county in which the Premises is located, and by posting one notice of such sale at the courthouse door where such sale is to be held. At any such public sale, Trustee may execute and deliver to the purchaser a conveyance of the Property or any part of the Property. Lender shall have the right to enforce any of its remedies set forth herein without notice to Borrower, except for such notice as may be required by law. In the event of any sale under this Deed of Trust by virtue of the exercise of the powers herein granted, or pursuant to any order in any judicial proceedings or otherwise, the Property may be sold as an entirety or in separate parcels and in such manner or order as Trustee in its sole discretion may elect, and if Trustee so elects, Trustee or Lender may sell the personal property covered by this Deed of Trust at one or more separate sales and in any manner permitted by the Uniform Commercial Code of the state in which the Premises is located, and one or more exercises of the powers herein granted shall not extinguish or exhaust such powers, until all of the Property is sold or the secured indebtedness is paid in full. If the secured indebtedness is now or hereafter further secured by any chattel mortgages, pledges, contracts of guaranty, assignments of lease or other security instruments, Lender at its option may exhaust the remedies granted under any of said security instruments or this Deed of Trust either concurrently or independently, and in such order as Lender may determine. Lender, from time to time, also may rescind any notice of default or Event of Default theretofore given and such notice of its election to sell the Property. The exercise by Lender of such right of postponement or rescission shall not constitute a waiver of any default or Event of Default then existing or subsequently occurring nor impair the right of the Lender to give notice of default or Event of Default and notice of its election to sell the Property or otherwise affect any provision of this Deed of Trust or any of the other Operative Documents.

(iii) In the event of a sale or other disposition of the Property or any portion thereof and the execution of a deed or other conveyance pursuant thereto, the

recitals therein of facts, such as default or Event of Default hereunder, the giving of notice of such default or Event of Default and notice of sale, demand that such sale should be made, postponement of such sale, the terms of sale, the sale, the purchase, payment of purchase money 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 conveyance shall be conclusive against all persons as to all matters and facts recited therein.

(iv) Trustee may, and upon the request of Lender shall, adjourn from time to time any sale by it to be made under or by virtue of this Deed of Trust by announcement at the time and place appointed for such sale or for such adjourned sale or sales and, except as otherwise provided by any applicable provision of Legal Requirements, Trustee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned. Any sale or sales may be made by an agent for Trustee and his appointment need not be in writing.

(c) The purchase money proceeds or avails of any sale made under or by virtue of this Section 12.2, together with any other sums which then may be held by Lender or Trustee under this Deed of Trust, whether under the provisions of this Section 12.2 or otherwise, shall be applied as follows:

First: To the payment of the third-party costs and expenses reasonably incurred in connection with any such sale and to advances, fees and expenses, including, without limitation, reasonable fees and expenses of Trustee and of Trustee's and Lender's legal counsel, and of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances reasonably made or incurred by Trustee and Lender under this Deed of Trust, together with interest as provided herein on all such advances made by Trustee or Lender, as the case may be, and all Impositions, except any taxes, assessments or other charges subject to which the Property shall have been sold;

Second: To the payment of the remaining portion of the Debt;

Fourth: The surplus, if any, to the Person legally entitled thereto.

Lender, Trustee and any receiver or custodian of the Property or any part thereof shall be liable to account for only those rents, issues, proceeds and profits actually received by it.

(d) Upon the completion of any sale or sales made by Trustee under or by virtue of this Section, Trustee, or any officer of any court empowered to do so, shall execute and

deliver to the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, granting, conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold and without any covenant or warranty whatsoever express or implied. Trustee is hereby irrevocably appointed the true and lawful attorney-in-fact of Borrower (coupled with an interest), in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the property and rights so sold and for that purpose Trustee may execute all necessary instruments of conveyance, assignment, transfer and delivery, and may substitute one or more persons with like power, Borrower hereby ratifying and confirming all that its said attorney-in-fact or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, Borrower, if so requested by Trustee or Lender, shall ratify and confirm any such sale or sales by executing and delivering to Trustee or Lender or to such purchaser or purchasers all such instruments as may be advisable, in the sole judgment of Trustee or Lender, for such purpose, and as may be designated in such request. Any such sale or sales made under or by virtue of this Section, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or a judgment, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity of Borrower in and to the property and rights so sold, and shall, to the fullest extent permitted under Legal Requirements, be a perpetual bar both at law and in equity against Borrower and against any and all Persons claiming or who may claim the same, or any part thereof, from, through or under Borrower.

(c) In the event of any sale made under or by virtue of this Section 12.2 (whether made under the power of sale herein granted or under or by virtue of judicial proceedings), the entire Debt relative to the Property, immediately thereupon shall become due and payable, anything in the Operative Documents to the contrary notwithstanding.

(f) Upon any sale made under or by virtue of this Section 12.2 (whether made under the power of sale herein granted or under or by virtue of judicial proceedings), Lender may bid for and acquire the Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Debt the net sales price after deducting therefrom the expenses of the sale and the costs of the action.

(g) No recovery of any judgment by Lender and no levy of an execution under any judgment upon the Property or any part thereof or upon any other property of Borrower shall release the lien of this Deed of Trust upon the Property or any part thereof, or any liens, rights, powers or remedies of Lender and Trustee hereunder, but such liens, rights, powers and remedies of Lender and Trustee shall continue unimpaired until the Debt and all amounts due under the LOC Agreement, this Deed of Trust and the other Operative Documents are paid in full.

(h) Unless Trustee, Lender or the purchaser of the Property pursuant to any sale thereof resulting from the exercise of Lender's or Trustee's rights hereunder would have the right automatically to cause Borrower or any Person in possession of the Property to be evicted therefrom immediately upon such sale, any sale of the Property pursuant to this Deed of Trust, without further notice, shall create the relation of landlord and tenant at sufferance between the

purchaser and Borrower or any Person in possession of the Property through Borrower, and upon failure of Borrower or such Person to surrender possession thereof immediately, Borrower or such Person may be removed by a writ of possession of the purchaser in any court having jurisdiction.

Section 12.3. Possession of the Property. Upon the occurrence of any Event of Default hereunder and the acceleration of the Debt or any portion thereof, Borrower, if an occupant of the Property or any part thereof, upon demand of Lender, shall immediately surrender possession of the Property (or the portion thereof so occupied) to Lender, and if Borrower is permitted to remain in possession, the possession shall be as a month-to-month tenant of Lender and, on demand, Borrower shall pay to Lender monthly, in advance, a reasonable rental for the space so occupied and in default thereof Borrower may be dispossessed. The covenants herein contained may be enforced by Trustee or a receiver of the Property or any part thereof. Nothing in this Section 12.3 shall be deemed to be a waiver of the provisions of this Deed of Trust making the transfer of the Property or any part thereof without Lender's prior written consent an Event of Default.

Section 12.4. Interest After Default. If any amount due under this Deed of Trust or any of the other Operative Documents is not paid within any applicable notice and grace period after same is due, whether such date is the stated due date, any accelerated due date or any other date or at any other time specified under any of the terms hereof or thereof, then, in such event, Borrower shall pay interest on the entire outstanding and unpaid principal balance of the Debt from and after the date on which such amount first becomes due at the Default Rate of interest; and such interest shall be due and payable at such rate until the earlier of the cure of all Events of Default or the payment of the entire amount due to Lender, whether or not any action shall have been taken or proceeding commenced to recover the same or to sell the Property. Without limiting the foregoing, Borrower further covenants and agrees that in the event Borrower should file a petition for relief under the Bankruptcy Code and seek to pay any amount which is past due under this Deed of Trust as of the date of the filing of the petition through a Chapter 11, 12 or 13 plan, or any other plan under applicable insolvency or receivership laws, Borrower will pay Lender interest on the total amount past due at the Default Rate of interest. Interest will be calculated on the total amount past due as of the date of the filing of the bankruptcy petition, including principal and past due interest and late charges, if any, and interest at the aforesaid rate will continue to be due and payable for the entire time required to pay the total amount past due through the bankruptcy plan. All unpaid and accrued interest shall be secured by this Deed of Trust as part of the Debt. Nothing in this Section 12.4 or in any other provision of this Deed of Trust shall constitute an extension of the time for payment of the Debt.

Section 12.5. Borrower's Actions After Default. After the happening of any Event of Default and immediately upon the commencement of any action, suit or other legal proceedings by Lender to obtain judgment for the Debt, or of any other nature in aid of the enforcement of the Operative Documents, Borrower will (a) after receipt of notice of the institution of any such action, waive the issuance and service of process and enter its voluntary appearance in such action, suit or proceeding, and (b) if required by Lender or Trustee, consent to the appointment of a receiver or

receivers of the Property or any part thereof and of all the earnings, revenues, rents, issues, profits and income thereof.

Section 12.6. Control by Lender After Default. Notwithstanding the appointment of any custodian, receiver, liquidator or trustee of Borrower, or of any of its property, or of the Property or any part thereof, to the extent permitted by Legal Requirements Lender or Trustee shall be entitled to obtain possession and control of all of the Property now and hereafter covered by this Deed of Trust in accordance with the terms hereof.

Section 12.7. Right to Cure Defaults. Upon the occurrence of any Event of Default Lender, Trustee or their agents may, but without any obligation to do so and without notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, take whatever action in such manner and to such extent as Lender may deem necessary to protect the security hereof. Lender, Trustee and their agents are authorized to enter upon the Property or any part thereof for such purposes, or appear in, defend, or bring any action or proceedings to protect Lender's interest in the Property or any part thereof or to cause the sale of the Property or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees to the extent not prohibited by law), with interest as provided in this paragraph, shall constitute a portion of the Debt and shall be immediately due and payable to Lender or Trustee, as the case may be, upon demand. All such costs and expenses incurred by Trustee or Lender or its agents in remedying such Event of Default or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Default Rate, for the period from the date so demanded to the date of payment to Lender or Trustee, as the case may be.

Section 12.8. Recovery of Sums Required to Be Paid. Lender shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due and payable hereunder (after the expiration of any grace period or the giving of any notice herein provided, if any), without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Lender thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Borrower existing at the time such earlier action was commenced.

Section 12.9. Marshalling and Other Matters. Borrower hereby waives, to the fullest extent permitted by law, the benefit of all appraisal, valuation, stay, extension, reinstatement, redemption (both equitable and statutory) and homestead laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Borrower hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Deed of Trust on behalf of Borrower, whether equitable or statutory and on behalf of each and every Person acquiring any interest in or title to the Property or any part thereof subsequent to the date of this Deed of Trust and on behalf of all Persons to the fullest extent permitted by applicable law. Borrower specifically acknowledges that this Deed of Trust is one in a series of Deeds of Trust securing the transaction described in the LOC Agreement. Lender may exercise its rights under the Deeds of Trust in any order Lender elects, in its sole

discretion, and may simultaneously enforce rights under one or more of the Deeds of Trust until the Debt secured by all Deeds of Trust and all Subsidiary Obligations as defined in the LOC Agreement have been paid and satisfied in full.

Section 12.10. No Impairment; No Releases. The interests and rights of Lender under the Operative Documents shall not be impaired by any indulgence, including (i) any renewal, extension or modification which Lender may grant with respect to any of the Debt; (ii) any surrender, compromise, release, renewal, extension, exchange or substitution which Lender may grant with respect to the Property or any portion thereof; or (iii) any release or indulgence granted to any maker, endorser, guarantor or surety of any of the Debt. No remedy herein conferred upon or reserved to Lender or Trustee is intended to be exclusive of any other remedy or remedies available to Lender or Trustee under such instrument, at law, in equity or by statute, and each and every such remedy shall be cumulative and in addition to every other remedy given thereunder or now or hereafter existing at law, in equity or by statute.

ARTICLE XIII. COMPLIANCE WITH REQUIREMENTS

Section 13.1. Compliance with Legal Requirements.

(a) Borrower shall promptly comply in all respects, and cause the Property and the use thereof to be, in all respects, in compliance with all present and future Legal Requirements, foreseen and unforeseen, ordinary and extraordinary, whether requiring structural or nonstructural repairs or alterations including, without limitation, all zoning, subdivision, building, safety and environmental protection, land use and development Legal Requirements, and all Legal Requirements which may be applicable to the curbs adjoining the Property or to the use or manner of use thereof, the non-compliance with which, in Lender's opinion, may materially adversely affect the rights or remedies of Lender or Trustee hereunder, the value of the Property or the lien or liens created or secured by the Operative Documents. Borrower shall not suffer or permit the Property or any portion thereof to be used by the public or any Person not subject to a Lease without restrictions or in such manner as might impair Borrower's title to the Property, or in such manner as may give rise to a claim or claims of adverse usage or adverse possession by the public, or of implied dedication of the Property or any part thereof.

(b) Borrower shall have the right, after prior written notice to Lender, to contest by appropriate legal proceedings diligently conducted in good faith, without cost or expense to Lender or Trustee, the validity or application of any Legal Requirement and to suspend compliance therewith if permitted under applicable Legal Requirements, provided (i) failure to comply therewith may not subject Lender or Trustee to any civil or criminal liability, (ii) prior to and during such contest, Borrower shall furnish to Lender security reasonably satisfactory to Lender, in its discretion, against loss or injury by reason of such contest or non-compliance with such Legal Requirement, (iii) no Event of Default shall exist during such proceedings and such contest shall not

otherwise violate any of the provisions of any of the Operative Documents and (iv) such contest shall not subject the Property to any lien or encumbrance the enforcement of which is not suspended or otherwise affect the priority of the lien of this Deed of Trust.

(c) Borrower shall comply with all present and future codes, orders, rules, regulations, restrictions and requirements of any national and local Board of Fire Underwriters.

(d) Borrower represents and warrants that: (i) the Property including the location, existence, use, occupancy and operation of the Property are in compliance in all material respects with all applicable Legal Requirements including, but not limited to, the building and zoning laws of the jurisdiction in which the Property is situated and all easements, declarations, covenants and restrictions affecting the Property; (ii) all material licenses and permits which may be required with respect to the use, occupancy, operation and maintenance of the Property have been obtained and are in full force and effect and each Improvement complies therewith, and (iii) no notes or notices of violations of any Legal Requirements have been entered or received by Borrower and there is no basis for the entering of such notices. Borrower covenants that it shall maintain the Property as set forth in clause (i) above. Borrower shall keep all such licenses and permits in full force and effect at all times during the terms thereof, and Borrower shall not permit or suffer to permit a violation of any certificate of occupancy relating to the Property.

(e) Borrower shall at all times comply with all applicable Legal Requirements with respect to the construction, use and maintenance of any vaults adjacent to the Property.

(f) Borrower shall not seek, make, suffer, consent to or acquiesce in any change in the zoning or conditions of use of the Premises or the Improvements. If, under applicable zoning provisions, the use of all or any part of the Premises and/or the Improvements is or becomes a nonconforming use, Borrower shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Lender. Further, without Lender's prior written consent, Borrower shall not file or subject the Premises and/or the Improvements to any subdivision or declaration of condominium or convert the Premises and/or Improvements to a condominium, cooperative or other form of multiple ownership and/or governance.

Section 13.2. Compliance with Recorded Documents; No Future Grants. Borrower shall promptly perform and observe or cause to be performed and observed, all of the terms, covenants and conditions of all instruments of record affecting the Property and any instrument the noncompliance with which may affect the lien of this Deed of Trust or impose any duty upon Borrower or any occupant. Borrower shall not grant any easement or other right with respect to the Property, except that Borrower may grant easements, reservations and rights of way affecting the Property in the ordinary course of business for water, sewer, telephone, telecommunication or electric lines or other utilities or for other similar purposes, provided that Borrower delivers to Lender an Officer's Certificate (upon the accuracy of which Lender shall be entitled to rely

conclusively) stating that no such grant shall impair the utility or marketability of the Property or the operation of Borrower's business thereon or have any adverse effect on the value of the Property.

ARTICLE XIV.
NEGATIVE COVENANTS REGARDING INDEBTEDNESS AND CHANGES IN
BORROWER

Section 14.1. Negative Covenants Regarding Indebtedness and Changes in Borrower. Borrower hereby represents, warrants and covenants that it will not:

- (a) if Borrower is not a natural person, liquidate, wind up (in whole or in part), dissolve or terminate or materially amend the terms of its certificate of incorporation, articles of organization, operating agreement or partnership agreement, as applicable;
- (b) become insolvent or fail to pay its debt from its assets as the same shall become due;
- (c) fail to conduct and operate its business as presently conducted and operated;
- (d) fail to file its own tax returns; or
- (e) fail to maintain adequate capital for the normal obligations reasonably foreseeable in a business of its size and character and in light of its contemplated business operations.

The covenants contained herein are in addition to the covenants contained in the LOC Agreement. In the event of any conflict between these covenants and the covenants in the LOC Agreement, the LOC Agreement shall control. For purposes of confidentiality of financial matters, the LOC Agreement is not being recorded. An original, executed LOC Agreement is in the possession of Lender.

ARTICLE XV.
ENVIRONMENTAL COMPLIANCE

Section 15.1. Covenants, Representations and Warranties.

- (a) Borrower has not, at any time, and, to Borrower's best knowledge after due inquiry and investigation no other Person has at any time, handled, buried, stored, retained, refined, transported, processed, manufactured, generated, produced, spilled, allowed to seep, leak, escape or leach, or pumped, poured, emitted, emptied, discharged, injected, dumped, transferred or otherwise disposed of or dealt with Hazardous Materials on, to or from the Premises or any other real property owned and/or occupied by Borrower, and Borrower does not intend to and shall not use the

Property or any part thereof or any such other real property for the purpose of handling, burying, storing, retaining, refining, transporting, processing, manufacturing, generating, producing, spilling, seeping, leaking, escaping, leaching, pumping, pouring, emitting, emptying, discharging, injecting, dumping, transferring or otherwise disposing of or dealing with Hazardous Materials (except for those Hazardous Materials used by Borrower or any tenants of the Property in the ordinary course of their business and in compliance with all Environmental Laws). In addition, without limitation to the foregoing provisions, Borrower represents and warrants that, to the best of its knowledge, after due inquiry and investigation, except as previously disclosed in writing to Lender, there is no asbestos or material containing lead-based paint in, on, over, or under all or any portion of the fireproofing or for any other purposes at the Property or with respect to the Equipment.

(b) Borrower, after due inquiry, knows of no seepage, leak, escape, leach, discharge, injection, release, emission, spill, pumping, pouring, emptying or dumping of Hazardous Materials into waters on, under or adjacent to the Property or any part thereof or any other real property owned and/or occupied by Borrower or onto lands from which such hazardous or toxic waste or substances might seep, flow or drain into such waters.

(c) Borrower shall not permit any Hazardous Materials to be located on or handled, buried, stored, retained, refined, transported, processed, manufactured, generated, produced, spilled, allowed to seep, leak, escape or leach, or to be pumped, poured, emitted, emptied, discharged, injected, dumped, transferred or otherwise disposed of or dealt with on, under, to or from the Property or any portion thereof at any time (except for those Hazardous Materials used by Borrower or any tenants of the Property in the ordinary course of their business and in compliance with all Environmental Laws).

(d) Borrower represents and warrants that no actions, suits, or proceedings have been commenced, or are pending, or to the actual knowledge of Borrower, are threatened with respect to any Legal Requirement governing the use, manufacture, storage, treatment, disposal, transportation, or processing of Hazardous Materials with respect to the Property or any part thereof. Borrower has received no notice of, and, after due inquiry, has no knowledge of any fact, condition, occurrence or circumstance which with notice or passage of time or both would give rise to a claim under or pursuant to any federal, state or local environmental statute or regulation or under common law, pertaining to Hazardous Materials on, in, under or originating from the Property or any part thereof or any other real property owned or occupied by Borrower or arising out of the conduct of Borrower, including, without limitation, pursuant to any Environmental Law.

(e) Borrower has not knowingly waived or released any Person's liability with regard to the Hazardous Materials in, on, under or around the Property nor has Borrower retained or assumed, contractually or, except as previously disclosed in writing to Lender, by operation of law, any other Person's liability relative to Hazardous Materials or any claim, action or proceeding relating thereto.

(f) In the event that there shall be filed a Lien against the Property or any part thereof pursuant to any Environmental Law pertaining to Hazardous Materials, Borrower shall, within sixty (60) days or, in the event that the applicable Governmental Authority has commenced steps to cause the Premises or any part thereof to be sold pursuant to the Lien, within thirty (30) days (but in any event prior to the date of such sale), from the date that Borrower receives notice of such Lien, either (i) pay the claim and remove the Lien from the Property, or (ii) furnish (A) a bond satisfactory to Lender in the amount of the claim out of which the Lien arises, (B) a cash deposit in the amount of the claim out of which the Lien arises, or (C) other security reasonably satisfactory to Lender in an amount sufficient to discharge the claim out of which the Lien arises.

(g) Borrower represents and warrants that neither the Property nor any other property owned by Borrower is included or, to Borrower's knowledge, after due inquiry, proposed for inclusion on the National Priorities List issued pursuant to CERCLA by the United States Environmental Protection Agency (the "EPA") or any of the inventories of other potential "Problem" sites issued by the EPA or other applicable Governmental Authority and has not otherwise been identified by the EPA as a potential CERCLA site or included or, to Borrower's knowledge, after due inquiry, proposed for inclusion on any such list or inventory issued pursuant to any other Environmental Law, if any, or issued by any other Governmental Authority. Borrower represents and warrants that Borrower will comply with all Environmental Laws and any other federal, state or local environmental statute, regulation or common law affecting or imposed upon Borrower or the Property.

(h) Borrower covenants that it shall, promptly upon gaining knowledge of the release of any Hazardous Materials in, on, over, under, to or from the Property or any portion thereof, or onto, over, or under any contiguous real property, notify Lender of the presence and/or release of such Hazardous Material and of any request for information or any inspection of the Property or any part thereof by any Governmental Authority with respect to any Hazardous Materials and provide Lender with copies of such request and any response to any such request or inspection. Borrower covenants that it shall, in compliance with applicable Legal Requirements, promptly and diligently conduct and complete all investigations, studies, sampling and testing (and promptly shall provide Lender with copies of any such studies and the results of any such test) and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials in, on, over, under, from or affecting the Property or any part thereof in accordance with all such Legal Requirements applicable to the Property or any part thereof and to the satisfaction of Lender.

(i) Following the occurrence of an Event of Default hereunder, and without regard to whether Lender or Trustee shall have taken possession of the Property or a receiver has been requested or appointed or any other right or remedy of Lender or Trustee has or may be exercised hereunder, Lender shall have the right (but no obligation) to, from time to time, conduct such investigations, studies, sampling and/or testing of the Property or any part thereof as Lender may, in its discretion, determine to conduct, relative to Hazardous Materials and take any action, including without limitation, any remedial measures or removal, as Lender may determine in its sole discretion. All costs and expenses incurred in connection therewith including, without limitation,

consultants' fees and disbursements and laboratory fees, shall constitute a part of the Debt and shall, upon demand by Lender, be immediately due and payable and shall bear interest at the Default Rate from the date so demanded by Lender until reimbursed.

(j) Neither Borrower nor, as applicable, any of its general partners, members or shareholders, has received or has knowledge of a summons, citation, directive, letter or other communication, written or oral, from the EPA or any state or county regional or local agency having jurisdiction over environmental matters, or any other Governmental Authority, concerning any intentional or unintentional action or omission which has resulted in the transfer, releasing, spilling, leaking, pumping, pouring, emitting, emptying, or dumping of Hazardous Materials by Borrower or any other Person or at, from or affecting the Property. Borrower will promptly transmit to Lender copies of any citations, orders, notices or other communications received from any Governmental Authority with respect to any Hazardous Materials at, from or affecting the Property.

(k) Borrower shall comply with any federal, state, or local legal requirement or common law requirement of notice, recordation, or other disclosure of the presence or use of Hazardous Material at the Property.

(l) At Lender's election, from time to time, Borrower shall accept a reconveyance of this Deed of Trust with respect to any portion of the Property with respect to which Lender believes in good faith Hazardous Materials have been discovered on, at, in, under, or above and have or are or reasonably likely to have a material adverse effect on the Property, Borrower, Lender, Trustee or the lien or priority of this Deed of Trust, or with respect to which Lender believes in good faith an Environmental Law has been or may have been violated which has or is reasonably likely to have a material adverse effect on the Property, Borrower, Lender, Trustee or the lien or priority of this Deed of Trust. Borrower shall, at Borrower's expense, cause any consents, agreements and instruments to be entered into that may be reasonably required by Lender in connection with such reconveyance, including, without limitation, subdivision consents, appropriate surveys, appraisals of the subdivisions, consents of tenants, access agreements, easement agreements, consents of parties to existing agreements and consents of subordinate lienors. Borrower shall pay for any new title insurance policy or endorsement required by Lender in connection with any such release.

Section 15.2. Indemnification. Borrower shall defend, indemnify and hold harmless Trustee, Lender, and their successors and assigns, and each of their employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, economic loss, costs and expenses of whatever kind or nature, known or unknown, contingent or otherwise, whether incurred or imposed within or outside the judicial process, including, without limitation, reasonable attorneys' and consultants' fees and disbursements and investigations and laboratory fees arising out of, or in any way related to:

(a) the presence, disposal, escape, seepage, leakage, spillage, discharge, emission, release or threat of release of any Hazardous Materials in, on, over, under, from or

affecting the Property or any part thereof whether or not disclosed by any Environmental Report relative to the Property;

(b) any personal injury (including, without limitation, wrongful death, disease or other health condition related to or caused by, in whole or in part, any Hazardous Materials) or property damage (real or personal) arising out of or related to any Hazardous Materials in, on, over, under, from or affecting the Property or any part thereof whether or not disclosed by any Environmental Report relative to the Property;

(c) any action, suit or proceeding brought or threatened, settlement reached or order of any Governmental Authority relating to such Hazardous Material whether or not disclosed by any Environmental Report relative to the Property;

(d) any violation of the provisions, covenants, representations or warranties of Section 15.1 hereof or of any Legal Requirement which is based on or in any way related to any Hazardous Materials in, on, over, under, from or affecting the Property or any part thereof including, without limitation, the cost of any work performed and materials furnished in order to comply therewith whether or not disclosed by any Environmental Report relative to the Property or to enforce the provisions of this Article XV, including, without limitation, the cost of assessment, containment and/or removal of any and all Hazardous Materials from all or any portion of the Property or any surrounding areas, the cost of any actions taken in response to the presence, release or threat of release of any Hazardous Materials on, in, under or affecting any portion of the Property or any surrounding areas to prevent or minimize such release or threat of release so that it does not migrate or otherwise cause or threaten danger to present or future public health, safety, welfare or the environment, and costs incurred to comply with the Environmental Laws in connection with all or any portion of the Property or any surrounding areas; and/or

(e) any act or omission of Borrower, its officers, employees, agents, contractors, invitees, licensees, or permittees giving rise to liability under any Environmental Law.

Notwithstanding the foregoing provisions of this Section 15.2 to the contrary, Borrower shall have no obligation to indemnify Trustee or Lender, as the case may be, for liabilities, claims, damages, penalties, causes of action, costs and expenses relative to the foregoing (i) in connection with Hazardous Materials which are initially released or placed on, in or under the Property after the earlier of (x) Lender or Trustee taking possession of the Property following the occurrence of an Event of Default, and (y) Lender or Trustee exercising the power of sale contained herein, completing a foreclosure or otherwise taking title to the Property, or (ii) which result directly and solely from Trustee's or Lender's willful misconduct or gross negligence. Any amounts payable to Lender or Trustee, as the case may be, by reason of the application of this Section 15.2 shall, upon demand by Lender or Trustee, as the case may be, become immediately due and payable and shall bear interest at the Default Rate from the date so demanded by Lender or Trustee, as the case may be, until paid.

This indemnification shall survive the termination of this Deed of Trust whether by repayment of the Debt, foreclosure or deed in lieu thereof, assignment, or otherwise. Nothing in this Section 15.2 shall be deemed to deprive Lender or Trustee of any rights or remedies otherwise available to Lender or Trustee, including, without limitation, those rights and remedies provided elsewhere in this Deed of Trust or the other Operative Documents.

ARTICLE XVI.
MISCELLANEOUS

Section 16.1. Year 2000 Compliant. Borrower agrees to operate, maintain, upgrade and replace, if necessary, all of Borrower's systems which could be affected by the year 2000 so that neither the performance nor functionality of the operating systems for the Borrower's computers, all software applications that run on the Borrower's computers, and all of the Borrower's machinery and equipment will operate effectively prior to, during, spanning or after January 1, 2000, including, but not be limited to (a) accurately processing (including, but not limited to calculating, comparing and sequencing) date and time data from, into, and between the years 1999 and 2000 and leap year calculations, (b) functioning without error, interruption or decreased performance relating to such date and time data, (c) accurately processing such date and time data when used in combination with other technology, if the other technology properly exchanges date and time data, (d) accurate date and time data century recognition, (e) calculations that accurately use same century and multi-century formulas and date and time values, (f) date and time data interface values which reflect the correct century, and (g) processing, storing, receiving and outputting all date and time data in a format that accurately indicates the century of the date and time data.

Section 16.2. Right of Entry. Lender, Trustee and their agents and employees shall have the right, subject to the rights of tenants under existing and valid Leases, to enter and inspect, and/or to take any action permitted hereunder with respect to, the Property or any part thereof at all reasonable times, and, except in the event of an emergency, upon reasonable or such other notice, if any, as may be expressly herein provided.

Section 16.3. Usury Laws. It is the intention of Borrower and Lender to conform strictly to the usury and similar laws relating to interest from time to time in force, and all agreements between Lender and Borrower, whether now existing or hereafter arising and whether oral or written, are hereby expressly limited so that in no contingency or event whatsoever, whether by acceleration of maturity hereof or otherwise, shall the amount paid or agreed to be paid in the aggregate to Lender as interest hereunder or under the other Operative Documents or in any other security agreement given to secure the Debt, or in any other document evidencing, securing or pertaining to the Debt, exceed the maximum permissible under applicable usury or such other laws (the "Maximum Amount"). If from any possible construction of any document, interest would otherwise be payable hereunder or under any other Operative Document in excess of the Maximum Amount, or in the event for any reason whatsoever any payment by or act of Borrower pursuant to the terms or requirements hereof or of any other Operative Document shall result in the payment of

interest which would exceed the Maximum Amount, then any such construction shall be subject to the provisions of this Section, and ipso facto such document shall be automatically reformed, without the necessity of the execution of any amendment or new document, so that the obligation of Borrower to pay interest or perform such act or requirement shall be reduced to the limit authorized under the applicable Legal Requirements, and in no event shall Borrower be obligated to pay any interest, perform any act, or be bound by any requirement which would result in the payment of interest in excess of the Maximum Amount. Any amount received by Lender in excess of the Maximum Amount shall, without further agreement or notice between or by any party hereto, be deemed applied to reduce the principal amount of the Debt immediately upon receipt of such moneys by Lender, with the same force and effect as though Borrower had specifically designated such sums to be applied to principal prepayment. The provisions of this Section shall supersede any inconsistent provision of this Deed of Trust or any other Operative Document.

Section 16.4. No Merger. If Borrower's and Lender's estates, including, without limitation, upon the delivery of a deed by Borrower in lieu of a sale by Trustee of the Property, or upon a purchase of the Property by Lender upon a sale by Trustee, become the same this Deed of Trust and the lien created hereby shall not be destroyed or terminated by the application of the doctrine of merger and in such event Lender shall continue to have and enjoy all of the rights and privileges of Lender as to the separate estates; and, as a consequence thereof, upon the sale by Trustee of the Property any Leases or subleases then existing and created by Borrower shall not be destroyed or terminated by application of the law of merger or as a result of such sale unless Lender or any purchaser at any such sale shall so elect. No act by or on behalf of Lender or any such purchaser shall constitute a termination of any Lease or sublease unless Lender or such purchaser shall give written notice thereof to such Lessee or sublessee.

Section 16.5. Tax Reduction Proceedings. After an Event of Default, Borrower shall be deemed to have appointed Lender as its attorney-in-fact to seek a reduction or reductions in the assessed valuation of the Property for real property tax purposes or for any other purpose and to prosecute any action or proceeding in connection therewith. This power, being coupled with an interest, shall be irrevocable for so long as any part of the Debt remains unpaid and any Event of Default shall be continuing.

Section 16.6. Application of the Proceeds. To the extent that Lender advances funds proceeds to pay indebtedness secured by any outstanding lien, security interest, charge or prior encumbrance against the Property, Borrower agrees in advance that such proceeds have been advanced by Lender at Borrower's request and Lender shall be subrogated to any and all rights, security interests and liens owned by any owner or holder of such outstanding liens, security interests, charges or encumbrances, irrespective of whether said liens, security interests, charges or encumbrances are released.

Section 16.7. Substitution or Resignation of Trustee.

(a) Lender may, without notice or cause and in Lender's sole discretion, substitute a successor or successors to any Trustee named herein or acting hereunder to execute this Deed of Trust or may fill a vacancy in the position of Trustee hereunder. This right may be exercised as many times as Lender, in its discretion, may elect. Upon such appointment, and without conveyance to the successor Trustee, the latter shall be vested with the title, powers and duties conferred upon any Trustee herein named or acting hereunder. Each such appointment and substitution shall be made by written instrument executed and acknowledged by Lender, containing reference to this Deed of Trust and its place of record, which, when recorded in the office in which this Deed of Trust is recorded, shall be conclusive proof of the proper appointment of such successor Trustee.

(b) Trustee may resign by written instrument executed by Trustee, containing reference to this Deed of Trust and its place of record, which, when recorded in the office in which this Deed of Trust is recorded, and when delivered to Lender, shall be conclusive proof of the resignation of such Trustee. Upon such resignation, Lender may appoint a successor Trustee in accordance with subsection (a) hereof.

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Section 16.8. Conveyance by Trustee/Defeasance. Upon receipt by Trustee of written notice from Lender that the Debt has been fully paid pursuant to the terms hereof and the other Operative Documents and the obligations fully performed in accordance with the provisions hereof and the other Operative Documents, Trustee shall reconvey the Property, without warranty, to Borrower or such Person or Persons lawfully entitled thereto.

IN WITNESS WHEREOF, Borrower has duly executed this Deed of Trust as of the day and year first above written, with actual execution on the acknowledgment date below.

UNITED METHODIST SENIOR SERVICES OF DESOTO
COUNTY, INC.

By: Stephen L. McArthur
Name: Stephen L. McArthur
Title: Authorized Company Representative

STATE OF MISSISSIPPI

COUNTY OF Hinds

Personally appeared before me, the undersigned authority in and for the said county and state, on this 18th day of December, 1999, within my jurisdiction, the within named Stephen L. McAlilly duly identified before me, who acknowledged that he is the Authorized Company Representative of UNITED METHODIST SENIOR SERVICES OF DESOTO COUNTY, INC. a Mississippi nonprofit corporation, pursuant to Resolution of the Board of Directors adopted ~~May~~ December 14, 1999, appointing said said Authorized Company Representative as agent and attorney in fact, and that for and on behalf of said corporation, and as its act and deed, he executed the above and foregoing instrument, after first having been duly authorized by said corporation so to do, in the representative capacity therein stated.

Jamie M. Powell
Notary Public

My Commission Expires:

MY COMMISSION EXPIRES AUGUST 19, 2003

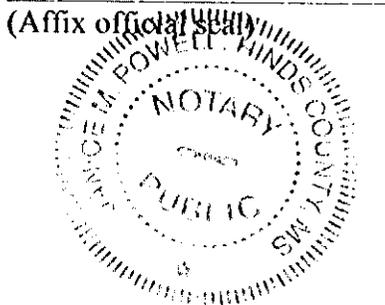


EXHIBIT ALegal Description

Commencing at the commonly accepted Southeast corner of the Northeast Quarter of Section 7, Township 3 South, Range 7 West, Desoto County, Mississippi (PK nail found); thence North 0 degrees 13 minutes 47 seconds West along the center line of Mcingvale Road (80 foot right of way), a distance of 449.47 feet to a PK nail found; thence North 88 degrees 49 minutes 25 seconds West, a distance of 40.01 feet to a steel fence rail found on the west line of said road being the Point of Beginning; thence North 89 degrees 13 minutes 26 seconds West, a distance of 999.75 feet to a steel fence rail found; thence North 0 degrees 11 minutes 37 seconds West, a distance of 1308.66 feet to a steel fence rail found; thence South 89 degrees 11 minutes 19 seconds East, a distance of 1000.54 feet to a steel fence rail found on the west right-of-way of said road; thence South 0 degrees 09 minutes 34 seconds East along said west right of way, a distance of 1308.03 feet to the Point of Beginning; said described tract containing 30.035 acres, more or less.