

(Gardnerville)

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Assessor's Parcel No(s): 1220-03-412-011

GARDNERVILLE STORAGE ASSOCIATES, LLC, a Nevada limited liability company,
as Trustor

to

FIDELITY NATIONAL TITLE INSURANCE COMPANY,
as Deed Trustee,
for the benefit of

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
as Beneficiary

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

Dated: as of August 20 1998

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This DEED OF TRUST, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FIXTURE FILING is made as of the 20 day of August, 1998, by GARDNERVILLE STORAGE ASSOCIATES, LLC, a Nevada limited liability company, having an address c/o StorAmerica, 9350 Wilshire Boulevard, Suite 400, Beverly Hills, California 90212 (hereinafter referred to as "Trustor"), to FIDELITY NATIONAL TITLE INSURANCE COMPANY, having an address at 2510 Redhill Avenue, Suite 100, Santa Ana, California 92705 (hereinafter referred to as "Deed Trustee") for the benefit of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, having an address at 60 Wall Street, New York, New York 10260 (hereinafter referred to as "Beneficiary").

WITNESSETH:

WHEREAS, pursuant to the terms of a certain revolving credit agreement dated as of July 31, 1998, as modified by a Revolving Credit Assumption Agreement of even date herewith (said revolving credit agreement as so modified, together with any further modifications, amendments, assumptions or supplements thereto from time to time collectively, the "Loan Agreement"), Beneficiary has agreed to make a certain loan in advances (each an "Advance" and collectively, the "Loan") to the Trustor and the Other Borrowers in the maximum outstanding principal amount of THIRTY MILLION and No/100 Dollars (\$30,000,000.00), or so much thereof as may from time to time be outstanding, and up to FIVE MILLION DOLLARS (\$5,000,000) of which may be re-advanced;

WHEREAS, the Loan is evidenced by a promissory note dated as of July 31, 1998, originally executed by the Original Borrowers, as maker, payable to Beneficiary, as holder, as modified by a Promissory Note Assumption and Modification Agreement of even date herewith executed by the Trustor and the Other Borrowers named therein (said promissory note as so modified, together with any further modifications, amendments, assumptions or supplements thereto from time to time collectively, the "Note");

WHEREAS, pursuant to the Note and the Loan Agreement, Beneficiary has funded an Advance to Trustor on this date in the amount of \$1,750,000.00 (said amount, as the same may be increased from time to time in accordance with the terms of the Loan Agreement pursuant to any additional Advance made to the Trustor is hereinafter referred to as the "Advance Amount");

WHEREAS, pursuant to the terms of the Loan Agreement, Beneficiary has previously, is concurrently and/or may in the future fund certain other Advances (the "Other Advances") to certain Other Borrowers, each of whom is an Affiliate of Trustor;

WHEREAS, the funding of the Advance to Trustor and the funding of the Other Advances to the Other Borrowers is of material direct and indirect benefit to Trustor;

WHEREAS, the total outstanding principal amount of all Advances, including any re-advances, made under the Loan Agreement as of any date shall not exceed THIRTY MILLION and No/100 Dollars (\$30,000,000.00), all of which is intended to be secured by this Deed of Trust;

WHEREAS, all of the Loan Documents securing the Advance and the Loan Documents securing the Other Advances are intended to be cross-defaulted with one another, and all of the properties and interests securing the Advance and the Other Advances are intended to be cross-collateralized with one another, all as more particularly set forth herein and therein;

WHEREAS, Trustor acknowledges that the willingness of Beneficiary to make the Advance and the Other Advances on the terms and conditions contemplated is based, in large part, on Trustor's willingness to grant a security interest in the Trust Property as security for the Advance and each of the Other Advances;

WHEREAS, Trustor desires by this Deed of Trust to provide for, among other things, the deposit, deed and pledge by Trustor with, and the creation of a security interest in favor of, Beneficiary, as security for the Trustor's and the Other Borrowers' obligations to Beneficiary from time to time pursuant to the Note and the other Loan Documents;

WHEREAS, Trustor and Beneficiary intend these recitals to be a material part of this Deed of Trust; and

WHEREAS, all things necessary to make this Deed of Trust the valid and legally binding obligation of Trustor in accordance with its terms, for the uses and purposes herein set forth, have been done and performed.

NOW THEREFORE, to secure the payment of (i) the Advance Amount together with interest thereon as provided under the Note, prepayment premium (if any), Deferred Loan Fee and all other obligations, liabilities or sums due or to become due from the Trustor under this Deed of Trust, the Note, the Loan Agreement or any other Loan Document including, without limitation, interest on said obligations, liabilities or sums (said principal, interest, premium, Deferred Loan Fee and other sums being hereinafter referred to collectively, the "Direct Obligations") and (ii) each of the Other Advances, including, without limitation, the principal amount thereof together with interest thereon as provided under the Note, prepayment premium (if any), Deferred Loan Fee and all other obligations, liabilities or sums due or to become due from any of the Other Borrowers under the Note, the Loan Agreement, any deed of trust, mortgage and/or deed to secure debt heretofore, simultaneously herewith or hereafter made by any Other Borrower to secure the Note (each such other deed of trust, mortgage and/or deed to secure debt together with any related assignment of rents and leases, an "Other Deed of Trust" and collectively, the "Other Deeds of Trust") or any other Loan Document, including, without limitation, interest on said obligations, liabilities or sums (said principal, premium, interest, Deferred Loan Fee and other sums being hereinafter referred to as the "Cross-Collateralized

Obligations”; the Cross-Collateralized Obligations and the Direct Obligations are hereinafter referred to collectively as the “**Debt**”), and the performance of all other covenants, obligations and liabilities of the Trustor and the Other Borrowers pursuant to the Loan Documents, Trustor has executed and delivered this Deed of Trust; and Trustor 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, deed, hypothecate, pledge, set over, warrant, mortgage and confirm to Deed Trustee, as to the Premises and Improvements, forever, in trust with power of sale, and to Beneficiary, as to the remainder of the Trust Property, all right, title and interest of Trustor, if any, in and to all of the following property, rights, interests and estates:

(a) the plot(s), piece(s) or parcel(s) of real property described in Exhibit A attached hereto and made a part hereof (individually and collectively, hereinafter referred to as the “**Premises**”);

(b) (i) all buildings, foundations, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements of every kind or nature now or hereafter located on the Premises (hereinafter collectively referred to as the “**Improvements**”); and (ii) to the extent permitted by law, the name or names, if any, as may now or hereafter be used for each Improvement, and the goodwill associated therewith;

(c) all easements, rights-of-way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, 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, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Premises or the Improvements and the reversion and reversions, remainder 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, property, possession, claims and demands whatsoever, both in law and in equity, of Trustor 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) and other property of every kind and nature whatsoever owned by Trustor, or in which Trustor has or shall have an interest (but excluding any property owned by the tenants of the Premises), now or hereafter located upon, or in, and used in connection with the Premises or the Improvements, or appurtenant thereto, and all building equipment, materials and supplies of any nature whatsoever owned by Trustor, or in which Trustor has or shall have an interest, now or hereafter located upon, or in, and used in connection with the Premises or the

Improvements or appurtenant thereto, (hereinafter, all of the foregoing items described in this paragraph (d) are collectively called the "Equipment"), all of which, and any replacements, modifications, alterations and additions thereto, to the extent permitted by applicable law, shall be deemed to constitute fixtures (the "Fixtures"), and are part of the real estate and security for the payment of the Debt and the performance of Trustor's and the Other Borrowers' obligations. To the extent any portion of the Equipment is not real property or Fixtures under applicable law, it shall be deemed to be personal property, and this Deed of Trust shall constitute a security agreement creating a security interest therein in favor of Beneficiary 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, whether from the exercise of the right of eminent domain (including but not limited to any transfer made in lieu of or in anticipation of the exercise of said right), or for a change of grade, or for any other injury to or decrease in the value of the Premises, the Improvements or the Equipment or 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 other Trust Property or part thereof into cash or liquidated claims;

(f) the ground leases, if any (the "Ground Leases") identified on EXHIBIT B attached hereto and all other leases, tenancies, licenses 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, whether before or after the filing by or against Trustor of any petition for relief under the Bankruptcy Code and all reciprocal easement agreements, license agreements and other agreements with Pad Owners (hereinafter collectively referred to as the "Leases"), together with all cash or security deposits, lease termination payments, advance rentals and payments of similar nature and guarantees or other security held by Trustor in connection therewith to the extent of Trustor's right or interest therein and all remainders, reversions and other rights and estates appurtenant thereto, and all base, fixed, percentage or additional rents, and other rents, oil and gas or other mineral royalties, and bonuses, issues, profits and rebates and refunds or other payments made by any Governmental Authority from or relating to the Premises, the Improvements, the Fixtures or the Equipment plus all rents, common area charges and other payments, whether paid or accruing before or after the filing by or against Trustor of any petition for relief under the Bankruptcy Code (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) all proceeds of and any unearned premiums on any insurance policies covering the Premises, the Improvements, the Fixtures, the Rent or the Equipment, 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 and all refunds or rebates of Impositions, and interest paid or payable with respect thereto;

(h) all monies deposited or to be deposited in any funds or accounts maintained or deposited with Beneficiary, or its assigns, in connection herewith, including, without limitation, the Escrow Fund;

(i) all accounts receivable, contract rights, franchises, interests, estate or other claims, both at law and in equity, relating to the Premises, the Improvements, the Fixtures, or the Equipment, not included in Rents;

(j) all claims against any Person with respect to any damage to the Premises, the Improvements, the Fixtures or Equipment, including, without limitation, damage arising from any defect in or with respect to the design or construction of the Improvements, the Fixtures or the Equipment and any damage resulting therefrom;

(k) all deposits or other security or advance payments, including rental payments made by or on behalf of Trustor to others, with respect to (i) insurance policies, (ii) utility services, (iii) cleaning, maintenance, repair or similar services, (iv) refuse removal or sewer service, (v) parking or similar services or rights and (vi) rental of Equipment, if any, relating to or otherwise used in the operation of the Premises, Improvements, the Fixtures or Equipment;

(l) all intangible property relating to the Premises, the Improvements, the Fixtures or the Equipment or its operation, including, without limitation, trade names, trademarks, logos, building names and goodwill;

(m) all advertising material, guaranties, warranties, building permits, other permits, licenses, 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, the Improvements, the Fixtures, and the Equipment;

(n) 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 Trust Property, as amended from time to time;

(o) the right, in the name of and on behalf of Trustor, 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 Beneficiary in the Premises, the Improvements, the Fixtures or the Equipment; and

(p) all proceeds, products, substitutions and accessions (including claims and demands therefor) of each of the foregoing.

All of the foregoing items (a) through (p), together with all of the right, title and interest of Trustor therein, are collectively referred to as the "Trust Property".

TO HAVE AND TO HOLD the above granted and described Trust Property unto and to the proper use and benefit of Beneficiary, Deed Trustee and the successors and assigns of Beneficiary and Deed Trustee in fee simple, forever.

IN TRUST, WITH POWER OF SALE, to secure the payment to Beneficiary of the Debt at the time and in the manner provided for its payment in the Note, this Deed of Trust and the other Loan Documents.

AND Trustor covenants with and warrants to Beneficiary that:

ARTICLE I: DEFINITIONS

Section 1.01. Certain Definitions.

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

- (i) the capitalized terms defined in this Section have the meanings assigned to them in this Section, and include the plural as well as the singular;
- (ii) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with sound accounting principles consistently applied; and
- (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Deed of Trust as a whole and not to any particular Section or other subdivision.

“Additional Prepaid Rents” shall have the meaning set forth in Section 5.02 hereof.

“Advance” shall have the meaning set forth in the recitals hereto.

“Advance Amount” shall have the meaning set forth in the recitals hereto.

“Affiliate” of any specified Person shall mean any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control”, when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have the meanings correlative to the foregoing.

“Aggregate Threshold Amount” shall have the meaning set forth in Section 5.02 hereof.

“Appraisal” shall mean the appraisal of the Trust Property and all supplemental reports or updates thereto previously delivered to Beneficiary in connection with the Loan.

“Appraiser” shall mean the Person who prepared the Appraisal.

“Approved Manager Standard” shall mean the standard of business operations, practices and procedures customarily employed by entities having a senior executive with at least seven (7) years' experience in the management of self-storage facilities which manage not less than five (5) such facilities, including, without limitation, certain complexes which each contain more than 70,000 net rentable square feet.

“Architect” shall have the meaning set forth in Section 3.04(b)(i) hereof.

“Assignment” shall mean the Assignment of Leases and Rents and Security Deposits of even date herewith relating to the Trust Property given by Trustor to Beneficiary.

“Bankruptcy Code” shall mean 11 U.S.C. §101 et seq., as amended from time to time.

“Beneficiary” shall mean the Beneficiary named herein and its successors or assigns.

“Business Day” shall mean any day other than (a) a Saturday or Sunday, or (b) a day on which banking and savings and loan institutions in the State of New York or the State of California are authorized or obligated by law or executive order to be closed, or at any time during which the Loan is an asset of a securitization, the cities, states and/or commonwealths used in the comparable definition of “Business Day” in the securitization documents.

“Closing Date” shall mean the date of this Deed of Trust.

“Code” shall mean the Internal Revenue Code of 1986, as amended and as it may be further amended from time to time, any successor statutes thereto, and applicable U.S. Department of Treasury regulations issued pursuant thereto.

“Condemnation Proceeds” shall mean all of the proceeds in respect of any Taking or purchase in lieu thereof.

“Constituent Party” shall have the meaning set forth in Section 18.35(a) hereof.

“Contractual Obligation” shall mean, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or undertaking to which such Person is a party or by which it or any of the property owned by it is bound.

“CPI” shall mean “The Consumer Price Index (New Series) (Base Period 1982-84=100) (all items for all urban consumers)” issued by the Bureau of Labor Statistics of the United States

Department of Labor (the "Bureau"). If the CPI ceases to use the 1982-84 average equaling 100 as the basis of calculation, or if a change is made in the term, components or number of items contained in said index, or if the index is altered, modified, converted or revised in any other way, then the index shall be adjusted to the figure that would have been arrived at had the change in the manner of computing the index in effect at the date of this Deed of Trust not been altered. If at any time during the term of this Deed of Trust the CPI shall no longer be published by the Bureau, then any comparable index issued by the Bureau or similar agency of the United States issuing similar indices shall be used in lieu of the CPI.

"Cross-Collateralized Obligations" shall have the meaning set forth in the recitals hereto.

"Debt" shall have the meaning set forth in the recitals hereto.

"Debt Service" shall mean the amount of interest and, if required, principal payments due and payable in accordance with the Note during an applicable period.

"Debt Service Coverage" shall mean the quotient obtained by dividing Net Operating Income for the specified period for the Trust Property and the Other Properties encumbered by the Other Deeds of Trust by the sum of the (a) aggregate payments of interest, principal and all other sums due for such specified period under the Note (determined as of the date the calculation of Debt Service Coverage is required or requested hereunder) and (b) aggregate payments of interest, principal and all other sums due for such specified period pursuant to the terms of subordinate financing, if any, then affecting the Trust Property and the Other Properties or, if Debt Service Coverage is being calculated in connection with a request for consent to any subordinate financing, then proposed.

"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.

"Deed Trustee" shall mean the Deed Trustee named herein and its successors or assigns.

"Default" shall mean any event which with the giving of any required notice or the passage of any applicable grace period, or both, would constitute an Event of Default.

"Default Rate" shall mean the lesser of (a) the highest rate allowable at law and (b) five percent (5%) above the rate announced in New York, New York by Beneficiary as its "base" or "prime" rate as such rate may change from time to time.

"Default Rate Interest" shall mean, to the extent the Default Rate becomes applicable, interest in excess of the interest which would have accrued on (a) the principal amount of the

Loan which is outstanding from time to time and (b) any accrued but unpaid interest, if the Default Rate was not applicable.

“Deferred Loan Fee” shall have the meaning ascribed thereto in the Loan Agreement.

“Development Laws” shall mean all applicable subdivision, zoning, environmental protection, wetlands protection, or land use laws or ordinances, and any and all applicable rules and regulations of any Governmental Authority promulgated thereunder or related thereto.

“Direct Obligations” shall have the meaning set forth in the recitals hereto.

“Engineer” shall have the meaning set forth in Section 3.04(b)(i) hereof.

“Environmental Problem” shall mean any of the following except to the extent caused by the negligence or willful misconduct of Beneficiary during Beneficiary’s possession and control of the Trust Property:

(a) the presence of any Hazardous Material on, in, under, or above all or any portion of the Trust Property which occurred prior to or during Trustor’s or any Affiliate of Trustor’s ownership of the Trust Property;

(b) the release or threatened release of any Hazardous Material from or onto the Trust Property which occurred prior to or during Trustor’s or any Affiliate of Trustor’s ownership of the Trust Property;

(c) the violation or threatened violation of any Environmental Statute with respect to the Trust Property attributable to matters which occurred prior to or during Trustor’s or any Affiliate of Trustor’s ownership of the Trust Property; or

(d) the failure to obtain or to abide by the terms or conditions of any permit or approval required under any Environmental Statute with respect to the Trust Property.

A condition described above shall be an Environmental Problem regardless of whether or not any Governmental Authority has taken any action in connection with the condition and regardless of whether that condition was in existence on or before the date hereof.

“Environmental Report” shall mean the environmental audit report for the Trust Property and any supplements or updates thereto, previously delivered to Beneficiary in connection with the Loan.

“Environmental Statute” shall mean any federal, state or local statute, ordinance, rule or regulation, any judicial or administrative order (whether or not on consent) or judgment applicable to Trustor or the Trust Property including, without limitation, any judgment or

settlement based on common law theories, and any provisions or condition of any permit, license, restrictive covenant or other authorization binding on Trustor relating to (a) the protection of the environment, the safety and health of persons (including employees) or the public welfare from actual or potential exposure (or effects of exposure) to any actual or potential release, discharge, disposal or emission (whether past or present) of any Hazardous Materials or (b) the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Materials, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §9601 et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, as amended by the Solid and Hazardous Waste Amendments of 1984, 42 U.S.C. §6901 et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C. §1251 et seq., the Toxic Substances Control Act of 1976, 15 U.S.C. §2601 et seq., the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §1101 et seq., the Clean Air Act of 1966, as amended, 42 U.S.C. §7401 et seq., the National Environmental Policy Act of 1975, 42 U.S.C. §4321, the Rivers and Harbors Act of 1899, 33 U.S.C. §401 et seq., the Endangered Species Act of 1973, as amended, 16 U.S.C. §1531 et seq., the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §651 et seq., and the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. §300(f) et seq., and all rules, regulations and guidance documents promulgated or published thereunder.

“Equipment” shall have the meaning set forth in granting clause (d) of this Deed of Trust.

“ERISA” shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated thereunder. Section references to ERISA are to ERISA, as in effect at the date of this Deed of Trust and, as of the relevant date, any subsequent provisions of ERISA, amendatory thereof, supplemental thereto or substituted therefor.

“ERISA Affiliate” shall mean any corporation or trade or business that is a member of any group of organizations (a) described in Section 414(b) or (c) of the Code of which Trustor or Guarantor is a member and (b) solely for purposes of potential liability under Section 302(c)(11) of ERISA and Section 412(c)(11) of the Code and the lien created under Section 302(f) of ERISA and Section 412(n) of the Code, described in Section 414(m) or (o) of the Code of which Trustor or Guarantor is a member.

“Escrow Fund” shall have the meaning set forth in Section 5.01 hereof.

“Event of Default” shall have the meaning set forth in Section 13.01 hereof. For purposes of this Deed of Trust and all other Loan Documents, any reference to an Event of Default shall assume that any required notice under the terms of this Deed of Trust, if any, has

been given to the Trustor and any applicable grace period provided under this Deed of Trust, if any, has passed.

“Excess Rents Account” shall have the meaning set forth in Section 5.02 hereof.

“Expansion” shall have the meaning set forth in Section 8.01(c) hereof.

“Fiscal Year” shall mean the twelve month period commencing on January 1 and ending on December 31 during each year of the term of this Deed of Trust, or such other fiscal year of Trustor as Trustor may select from time to time with the prior written consent of Beneficiary.

“Fixtures” shall have the meaning set forth in granting clause (d) of this Deed of Trust.

“General Partner” shall mean, if Trustor is a partnership, each general partner of Trustor and, if applicable, each general partner of such general partner and if Trustor is a limited liability company, any member of Trustor.

“Governmental Authority” shall mean, with respect to any Person, any federal or State government or other political subdivision thereof and any entity, including any regulatory or administrative authority or court, exercising executive, legislative, judicial, regulatory or administrative or quasi-administrative functions of or pertaining to government, and any arbitration board or tribunal in each case, having jurisdiction over such applicable Person or such Person's property and any stock exchange on which shares of capital stock of such Person are listed or admitted for trading.

“Guarantor” shall mean any Person guaranteeing, in whole or in part, the obligations of Trustor and the Other Borrowers under the Loan Documents.

“Hazardous Material” shall mean any flammable, explosive or radioactive materials, hazardous materials or wastes, hazardous or toxic substances, pollutants or related materials, asbestos or any material containing asbestos, or any other substance or material as defined in or regulated by any Environmental Statutes.

“Impositions” shall mean all taxes (including, without limitation, all real estate, ad valorem, sales (including those imposed on lease rentals), use, single business, gross receipts, value added, intangible, transaction, privilege or license or similar taxes), assessments (including, without limitation, all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof and 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), 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 Trust Property and/or any Rent (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) Trustor (including, without limitation, all franchise, single business or other taxes imposed on Trustor for the privilege of doing business in the jurisdiction in which the Trust Property or any other collateral delivered or pledged to Beneficiary in connection with the Loan is located) or Beneficiary, (b) the Trust 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 Trust Property, or any part thereof, or the leasing or use of the Trust Property, or any part thereof, or the acquisition or financing of the acquisition of the Trust Property, or any part thereof, by Trustor.

“Improvements” shall have the meaning set forth in the granting clause (b) of this Deed of Trust.

“Independent” shall mean, when used with respect to any Person, a Person who (a) is in fact independent, (b) does not have any direct financial interest or any material indirect financial interest in Trustor, or in any Affiliate of Trustor or any constituent partner, shareholder, member or beneficiary of Trustor and (c) is not connected with Trustor or any Affiliate of Trustor or any constituent partner, shareholder, member or beneficiary of Trustor as an officer, employee, promoter, underwriter, trustee, partner, director or person performing similar functions. Whenever it is herein provided that any Independent Person's opinion or certificate shall be provided, such opinion or certificate shall state that the Person executing the same has read this definition and is Independent within the meaning hereof.

“Institutional Lender” shall mean any of the following Persons: (a) any bank, savings and loan association, savings institution, trust company or national banking association, acting for its own account or in a fiduciary capacity, (b) any charitable foundation, (c) any insurance company or pension and/or annuity company, (d) any fraternal benefit society, (e) any pension, retirement or profit sharing trust or fund within the meaning of Title I of ERISA or for which any bank, trust company, national banking association or investment adviser registered under the Investment Advisers Act of 1940, as amended, is acting as trustee or agent, (f) any investment company or business development company, as defined in the Investment Company Act of 1940, as amended, (g) any small business investment company licensed under the Small Business Investment Act of 1958, as amended, (h) any broker or dealer registered under the Securities and Exchange Act of 1934, or any investment adviser registered under the Investment Adviser Act of 1940, as amended, (i) any government, any public employees' pension or retirement system, or any other government agency supervising the investment of public funds, or (j) any other entity all of the equity owners of which are Institutional Lenders; provided that each of said Persons shall have net assets equal to or greater than \$500,000,000, be in the business of making commercial mortgage loans, secured by properties of like type, size and value as the Trust Property and have a long term credit rating which is not less than BBB-(or its equivalent) from the Rating Agency.

“Insurance Proceeds” shall mean all of the proceeds received under the insurance policies required to be maintained by Trustor pursuant to Article III hereof

“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 Trust 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 Trust Property, or such other Person exercising similar functions.

“Interest Accrual Period” shall have the meaning set forth in the Note.

“Interest Shortfall” shall mean any shortfall in the amount of interest required to be paid with respect to the outstanding principal balance of the Loan on any Payment Date.

“Late Charge” shall have the meaning set forth in Section 13.09 hereof.

“Leases” shall have the meaning set forth in granting clause (f) of this Deed of Trust.

“Legal Requirement” shall mean as to any Person, the certificate of incorporation, by-laws, operating agreement, certificate of limited partnership, agreement of limited partnership or other organizational or governing documents of such Person, and any law, statute, order, ordinance, judgement, decree, injunction, treaty, rule or regulation (including, without limitation, Environmental Statutes, Development Laws and Use Requirements) or determination of an arbitrator or a court or other Governmental Authority and all covenants, agreements, restrictions and encumbrances contained in any instruments, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

“Loan” shall have the meaning set forth in the Recitals hereto.

“Loan Documents” shall mean this Deed of Trust, the Loan Agreement, the Other Deeds of Trust, the Note, the Assignments, UCC-1 Financing Statements, the guaranty executed by the Guarantor and any and all other agreements, instruments, certificates or documents executed and delivered to Beneficiary by Trustor, Guarantor, any Other Borrower or any Affiliate of any of the foregoing in connection with the Loan.

“Loss Proceeds” shall mean, collectively, all Insurance Proceeds and all Condemnation Proceeds.

“Major Space Lease” shall mean any Space Lease of a tenant or Affiliate of such tenant where such tenant or such Affiliate leases, in the aggregate, 10% or more of the Total GLA.

“Management Agreement” shall have the meaning set forth in Section 7.02 hereof.

“Manager” shall mean the Person, other than Trustor, which manages the Trust Property on behalf of Trustor.

“Manager Certification” shall have the meaning set forth in Section 2.09 hereof.

“Material Adverse Effect” shall mean any event or condition that has a material adverse effect on (a) the Trust Property, (b) the business, prospects, management, operations or condition (financial or otherwise) of Trustor, (c) the enforceability, validity, perfection or priority of the lien of any Loan Document or (d) the ability of Trustor or any other obligor to perform any obligations under any Loan Document.

“Maturity”, when used with respect to the Note, shall mean the Maturity Date set forth in the Note or such other date pursuant to the Note on which the final payment of principal, and premium, if any, on which the Note becomes due and payable as therein or herein provided, whether at Stated Maturity or by declaration of acceleration, or otherwise.

“Maturity Date” shall mean the Maturity Date set forth in the Note.

“Multiemployer Plan” shall mean a multiemployer plan defined as such in Section 3(37) of ERISA to which contributions have been, or were required to have been, made by Trustor, Guarantor or any ERISA Affiliate and which is covered by Title IV of ERISA.

“Net Operating Income” shall mean in each Fiscal Year or portion thereof during the term hereof, Operating Income less Operating Expenses.

“Net Proceeds” shall mean the excess of (i)(x) the purchase price (at foreclosure or otherwise) actually received by Beneficiary with respect to the Trust Property as a result of the exercise by Beneficiary of its rights, powers, privileges and other remedies after the occurrence of an Event of Default, or (y) in the event that Beneficiary (or Beneficiary's nominee) is the purchaser at foreclosure by credit bid, then the amount of such credit bid, in either case, over (ii) all costs and expenses, including, without limitation, all reasonable attorneys' fees and disbursements and any brokerage fees, if applicable, actually incurred by Beneficiary in connection with the exercise of such remedies, including the sale of such Trust Property after a foreclosure against the Trust Property.

“Note” shall have the meaning set forth in the recitals hereof.

“Officer's Certificate” shall mean a certificate delivered to Beneficiary by Trustor which is signed on behalf of Trustor by an authorized representative of Trustor which states that the items set forth in such certificate are true, accurate and complete in all respects.

“Operating Expenses” shall mean, in each Fiscal Year or portion thereof during the term hereof, all expenses directly attributable to the operation, repair and/or maintenance of the Trust

Property including, without limitation, Impositions, insurance premiums, reasonable and customary reserves, management fees and costs attributable to the operation, repair and maintenance of the systems for heating, ventilating and air conditioning the Improvements and actually paid for by Trustor. Operating Expenses shall not include interest, principal and premium, if any, due under the Note or otherwise in connection with the Debt, income taxes, capital improvements costs, or any non-cash charge or expense such as depreciation or amortization.

“Operating Income” shall mean, in each Fiscal Year or portion thereof during the term hereof, all revenue derived by Trustor arising from the Trust Property including, without limitation, rental revenues (whether denominated as basic rent, additional rent, escalation payments, electrical payments or otherwise) and other fees and charges payable pursuant to Leases or otherwise in connection with the Trust Property, and business interruption, rent or other similar insurance proceeds. Operating Income shall not include (a) Insurance Proceeds (other than proceeds of rent, business interruption or other similar insurance allocable to the applicable period) and Condemnation Proceeds (other than Condemnation Proceeds arising from a temporary taking or the use and occupancy of all or part of the applicable Trust Property allocable to the applicable period), or interest accrued on such Condemnation Proceeds, (b) proceeds of any financing, (c) proceeds of any sale, exchange or transfer of the Trust Property or any part thereof or interest therein, (d) capital contributions or loans to Trustor or an Affiliate of Trustor, (e) any item of income otherwise includable in Operating Income but paid directly by any tenant to a Person other than Trustor except for real estate taxes paid directly to any taxing authority by any tenant, (f) any other extraordinary, non-recurring revenues, (g) Rent paid by or on behalf of any lessee under a Space Lease which is the subject of any proceeding or action relating to its bankruptcy, reorganization or other arrangement pursuant to federal bankruptcy law or any similar federal or state law or which has been adjudicated a bankrupt or insolvent unless such Space Lease has been affirmed by the trustee in such proceeding or action, (h) Rent paid by or on behalf of any lessee under a Space Lease the demised premises of which are not occupied either by such lessee or by a sublessee thereof, (i) Rent paid by or on behalf of any lessee under a Space Lease in whole or partial consideration for the termination of any Space Lease, or (j) sales tax rebates from any Governmental Authority.

“Original Borrowers” shall mean Scottsdale-Thomas Storage Associates, LLC, an Arizona limited liability company and Phoenix-24th Storage Associates, LLC, an Arizona limited liability company.

“Other Borrower” shall mean any other entity to whom Beneficiary heretofore, simultaneously herewith or hereafter makes an Advance under the Loan Agreement, each of which shall have and maintain during the term of the Loan the same ownership as Trustor.

“Other Properties” shall mean the real and personal property secured by the Other Deeds of Trust.

“Pad Owners” shall mean any owner of any fee interest in property contiguous to or surrounded by the Trust Property who has entered into or is subject to a reciprocal easement agreement or other agreement or agreements with Trustor either (a) in connection with an existing or potential improvement on such property or (b) relating to or affecting the Trust Property.

“Payment Date” shall mean, with respect to each month, the first (1st) calendar day in such month, or if such day is not a Business Day, the next following Business Day.

“PBGC” shall mean the Pension Benefit Guaranty Corporation established under ERISA, or any successor thereto.

“Permitted Encumbrances” shall have the meaning set forth in Section 2.05(a) hereof.

“Person” shall mean any individual, corporation, limited liability company, partnership, joint venture, estate, trust, 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.

“Plan” shall mean an employee benefit or other plan established or maintained by Trustor, Guarantor or any ERISA Affiliate during the five-year period ended prior to the date of this Deed of Trust or to which Trustor, Guarantor or any ERISA Affiliate makes, is obligated to make or has, within the five year period ended prior to the date of this Deed of Trust, been required to make contributions (whether or not covered by Title IV of ERISA or Section 302 of ERISA or Section 401(a) or 412 of the Code), other than a Multiemployer Plan.

“Premises” shall have the meaning set forth in granting clause (a) of this Deed of Trust.

“Principal Amount” shall mean the sum of \$30,000,000, or so much thereof as may be advanced and outstanding at any time pursuant to the terms of the Loan Agreement, as such amount may be reduced or increased from time to time pursuant to the terms of the Loan Agreement, this Deed of Trust, the Note or the other Loan Documents.

“Principal Payments” shall mean all payments of principal made pursuant to the terms of the Note.

“Property Agreements” shall mean all agreements, grants of easements and/or rights of-way, reciprocal easement agreements, permits, declarations of covenants, conditions and restrictions, disposition and development agreements, planned unit development agreements, management or parking agreements, party wall agreements or other instruments affecting the Trust Property, including, without limitation any agreements with Pad Owners, but not including any brokerage agreements, management agreements, service contracts, Space Leases or the Loan Documents.

“Rating Agency” shall mean Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc. (**“Standard & Poor's”**), Fitch Investors Services, L.P., Moody's Investors Service, Inc. (**“Moody's”**), and Duff & Phelps Credit Rating Co., collectively, and any successor to any of them; provided, however, that at any time after a Securitization, **“Rating Agency”** shall mean those of the foregoing rating agencies that from time to time rate the securities issued in connection with such Securitization.

“Realty” shall have the meaning set forth in Section 2.05(b) hereof.

“Rent” shall have the meaning set forth in granting clause (f) of this Deed of Trust.

“Rent Roll” shall have the meaning set forth in Section 2.05(o) hereof.

“Required Debt Service Coverage” shall mean a Debt Service Coverage of not less than 1.15:1.

“Retention Amount” shall have the meaning set forth in Section 3.04(b)(vii) hereof.

“Securities Act” shall mean the Securities Act of 1933, as the same shall be amended from time to time.

“Securitization” shall mean a public or private offering of securities by Beneficiary or any of its Affiliates or their respective successors and assigns which are collateralized, in whole or in part, by this Deed of Trust.

“Single Purpose Entity” shall mean a corporation, partnership, joint venture, limited liability company, trust or unincorporated association, which is formed or organized solely for the purpose of holding, directly, an ownership interest in the Trust Property and satisfies the other requirements of Section 2.02(g) below.

“Solvent” shall mean, as to any Person, that (a) the sum of the assets of such Person, at a fair valuation, exceeds its liabilities, including contingent liabilities, (b) such Person has sufficient capital with which to conduct its business as presently conducted and as proposed to be conducted and (c) such Person has not incurred debts, and does not intend to incur debts, beyond its ability to pay such debts as they mature. For purposes of this definition, **“debt”** means any liability on a claim, and **“claim”** means (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured. With respect to any such contingent liabilities, such liabilities shall be computed in accordance with sound accounting principles consistently applied at the

amount which, in light of all the facts and circumstances existing at the time, represents the amount which can reasonably be expected to become an actual or matured liability.

“Space Leases” shall mean any Lease or sublease thereunder (including, without limitation, any Major Space Lease but excluding any Ground Leases) or any other agreement providing for the use and occupancy of a portion of the Trust Property as the same may be amended, renewed or supplemented.

“State” shall mean any of the states which are members of the United States of America.

“Stated Maturity”, when used with respect to the Note or any installment of interest and/or principal payment thereunder, shall mean the date specified in the Note as the fixed date on which a payment of all or any portion of principal and/or interest is due and payable.

“Substantial Casualty” shall have the meaning set forth in Section 3.04 hereof.

“Taking” shall mean a condemnation or taking pursuant to the lawful exercise of the power of eminent domain.

“Total GLA” shall mean the total gross leasable area of the Trust Property, including all Space Leases.

“Transfer” shall mean the conveyance, assignment, sale, mortgaging, encumbrance, pledging, hypothecation, granting of a security interest in, granting of options with respect to, or other disposition of (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) all or any portion of any legal or beneficial interest (a) in all or any portion of the Trust Property; (b) if Trustor or, if Trustor is a partnership, any General Partner, is a corporation, in the stock of Trustor or any General Partner; (c) in Trustor (or any trust of which Trustor is a trustee); or (d) if Trustor is a limited or general partnership, joint venture, limited liability company, trust, nominee trust, tenancy in common or other unincorporated form of business association or form of ownership interest, in any Person having a direct or indirect legal or beneficial ownership in Trustor and shall also include, without limitation to the foregoing, the following: an installment sales agreement wherein Trustor agrees to sell the Trust Property or any part thereof or any interest therein for a price to be paid in installments; an agreement by Trustor leasing all or a substantial part of the Trust Property to one or more Persons pursuant to a single or related transactions, or a sale, assignment or other transfer of, or the grant of a security interest in, Trustor's right, title and interest in and to any Leases or any Rent; any instrument subjecting the Trust Property to a condominium regime or transferring ownership to a cooperative corporation; and the dissolution or termination of Trustor or the merger or consolidation of Trustor with any other Person.

“Trust Property” shall have the meaning set forth in the granting clauses of this Deed of Trust.

“Trustor” shall mean Trustor named herein and any successor to the obligations of Trustor.

“Trustor Parties” shall have the meaning set forth in Section 18.32 hereof.

“Trustor Threshold Amount” shall have the meaning set forth in Section 5.02 hereof.

“UCC” shall mean the Uniform Commercial Code as in effect in the State in which the Trust Property is located.

“Unscheduled Payments” shall mean (a) all Loss Proceeds that Trustor has elected or is required to apply to the repayment of the Debt in accordance with the terms hereof pursuant to this Deed of Trust, the Note or any other Loan Documents, (b) any funds representing a voluntary or involuntary principal prepayment other than scheduled Principal Payments, and (c) any Net Proceeds.

“Use Requirements” shall mean any and all building codes, permits, certificates of occupancy or compliance, laws, regulations, or ordinances (including, without limitation, health, pollution, fire protection, medical and day-care facilities, waste product and sewage disposal regulations), restrictions of record, easements, reciprocal easements, declarations or other agreements affecting the use of the Trust Property or any part thereof.

“Welfare Plan” shall mean an employee welfare benefit plan as defined in Section 3(1) of ERISA established or maintained by Trustor, Guarantor or any ERISA Affiliate or that covers any current or former employee of Trustor, Guarantor or any ERISA Affiliate.

“Work” shall have the meaning set forth in Section 3.04(a)(i) hereof.

ARTICLE II: COVENANTS, WARRANTIES AND REPRESENTATIONS OF TRUSTOR

Section 2.01. Payment of Debt. Trustor will pay or cause to be paid the Debt at the time and in the manner provided in the Note and the other Loan Documents, all in lawful money of the United States of America in immediately available funds.

Section 2.02. Representations and Warranties of Trustor. Trustor represents and warrants to Beneficiary as of the date of delivery of this Deed of Trust or such other date as is set forth below:

(a) **Organization and Authority.** Trustor (i) is a limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation, (ii) has all requisite power and authority and all necessary licenses and permits to

own and operate the Trust Property and to carry on its business as now conducted and as presently proposed to be conducted and (iii) is duly qualified, authorized to do business and in good standing in the jurisdiction where the Trust Property is located and in each other jurisdiction where the conduct of its business or the nature of its activities makes such qualification necessary. General Partner (i) is a limited liability company duly organized, validly existing, and in good standing under the laws of the jurisdiction of its incorporation, (ii) has all requisite power and authority and all necessary licenses and permits to carry on its business as now conducted and as presently proposed to be conducted and (iii) is duly qualified, authorized to do business and in good standing in the jurisdiction where the Trust Property is located and in each other jurisdiction where the conduct of its business or the nature of its activities makes such qualification necessary.

(b) Power. Trustor and General Partner has full power and authority to execute, deliver and perform, as applicable, the Loan Documents to which it is a party, to make the borrowings thereunder, to execute and deliver the Note and to grant to Beneficiary a first, prior, perfected and continuing lien on and security interest in the Trust Property, subject only to the Permitted Encumbrances.

(c) Authorization of Borrowing. The execution, delivery and performance of the Loan Documents to which Trustor is a party, the making of the borrowings thereunder, the execution and delivery of the Note, the grant of the liens on the Trust Property pursuant to the Loan Documents to which Trustor is a party and the consummation of the Loan are within the powers of Trustor and have been duly authorized by Trustor and the General Partner by all requisite action (and Trustor hereby represents that no approval or action of any limited partner, member or shareholder, as applicable, of Trustor is required to authorize any of the Loan Documents to which Trustor is a party) and will constitute the legal, valid and binding obligation of Trustor, enforceable against Trustor in accordance with their terms, except as enforcement may be stayed or limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and by general principles of equity (whether considered in proceedings at law or in equity) and will not (i) violate any provision of its partnership agreement or partnership certificate or certificate of incorporation or by-laws, or operating agreement, or articles of 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 Trustor or the Trust Property, or (ii) violate any provision of any indenture, agreement, mortgage, contract or other instrument to which Trustor or General Partner is a party or by which any of their respective 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 Beneficiary as provided in the Loan Documents to which it is a party.

(d) Consent. Neither Trustor nor General Partner is required to obtain any consent, approval or authorization from, or 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 Note or the other Loan Documents which has not been so obtained or filed.

(e) Interest Rate. The rate of interest paid under the Note and the method and manner of the calculation thereof do not violate any usury or other law or applicable Legal Requirement.

(f) Other Agreements. Trustor is not a party to nor is otherwise bound by any agreements or instruments which, individually or in the aggregate, are reasonably likely to have a Material Adverse Effect. Neither Trustor nor General Partner is in violation of its organizational documents or other restriction or any agreement or instrument by which it is bound, or any judgment, decree, writ, injunction, order or award of any arbitrator, court or Governmental Authority, or any Legal Requirement, in each case, applicable to Trustor, the General Partner or the Trust Property, except for such violations that would not, individually or in the aggregate, have a Material Adverse Effect.

(g) Maintenance of Existence. (i) Trustor at all times since its formation has been duly formed and existing and shall preserve and keep in full force and effect its existence as a Single Purpose Entity.

(ii) Trustor and General Partner, at all times since their organization have complied, and will continue to comply, with the provisions of its certificate and agreement of partnership or certificate of incorporation and by-laws or articles of organization and operating agreement, as applicable, and the laws of its jurisdiction of organization relating to partnerships, corporations or limited liability companies, as applicable.

(iii) All customary formalities regarding the partnership, or corporate, or company existence, as applicable, of Trustor and General Partner have been observed at all times since its formation and will continue to be observed.

(iv) Trustor and General Partner have at all times accurately maintained, and will continue to accurately maintain, their respective financial statements, accounting records and other partnership, company or corporate documents separate from those of each other or of any other Person. Trustor and General Partner have not at any time since their formation commingled and will not commingle, their respective assets with those of any other Person. Trustor and General Partner have at all times since their formation accurately maintained, and will continue to accurately maintain, their respective bank accounts, payroll and separate books of account.

(v) Trustor and General Partner have at all times paid, and will continue to pay as they become due, their own liabilities from their own separate assets.

(vi) Trustor and General Partner have at all times identified themselves, and will continue to identify themselves, in all dealings with the public, under their own names and as entities separate and distinct from each other and from any other Person. Trustor and General Partner have not at any time identified themselves, and will not identify themselves, as being a division of each other or of any other Person.

(vii) Trustor and General Partner have been at all times, and will continue to be, adequately capitalized in light of the nature of their respective businesses.

(viii) Trustor (A) does not own and will not own any encumbered asset other than the Trust Property, (B) is not engaged and will not engage in any business other than the ownership, management and operation of the Trust Property, (C) will not enter into any contract or agreement with any Affiliate of Trustor or, if applicable, any Affiliate of General Partner except upon terms and conditions that are substantially similar to those that would be available on an arm's-length basis with third parties other than an Affiliate, (D) has not incurred and except as expressly provided herein or in the other Loan Documents, will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the Loan, and (E) has not made and will not make any loans or advances to any Person (including any Affiliate).

(ix) Trustor will not change its name or principal place of business.

(x) Trustor does not have, and will not have, any subsidiaries or partnership or membership interests in any Person.

(xi) General Partner does not have, and will not have, any subsidiaries or partnership or membership interests in any Person other than in Trustor and in the Other Borrowers.

(xii) Trustor will preserve and maintain its existence as a limited liability company and all material rights, privileges, trade names and franchises.

(xiii) General Partner will preserve and maintain its existence as a limited liability company and all material rights, privileges, trade names and franchises.

(xiv) Neither Trustor nor General Partner will merge or consolidate with, or sell all or substantially all of its respective assets to any Person, or liquidate, wind up or dissolve itself (or suffer any liquidation, winding up or dissolution). Trustor will not acquire any business or assets from, or capital stock or other ownership interest of, or be a party to any acquisition of, any Person.

(xv) Neither Trustor nor the General Partner has at any time since its formation assumed or guaranteed, and will not assume or guarantee, the liabilities of its partners,

shareholders or members or any predecessor company, corporation or partnership, each as applicable, any Affiliates, or any other Person. Neither Trustor nor the General Partner has at any time since its formation acquired, and will not acquire, obligations or securities of its partners or shareholders, members or any predecessor company, corporation or partnership, each as applicable, any Affiliates or any other Person. Neither Trustor nor the General Partner has at any time since its formation made, and will not make, loans to its partners, members or shareholders or any predecessor company, corporation or partnership, each as applicable, any Affiliate or any other Person. Neither Trustor nor the General Partner has any known contingent liabilities nor does either have any material financial liabilities under any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which either is a party or by which either is otherwise bound except with respect only to Trustor, other than obligations incurred in the ordinary course of the operation of the Trust Property and other than obligations under the Loan Documents.

(xvi) Except as expressly permitted herein or in the other Loan Documents, neither Trustor nor the General Partner has at any time since its formation entered into and was not a party to, and, will not enter into or be a party to, any transaction with its members, partners or shareholders, as applicable, or any Affiliates thereof except in the ordinary course of business of Trustor or the General Partner, as applicable, on terms which are no less favorable to Trustor or the General Partner than would be obtained in a comparable arm's length transaction with an unrelated third party.

(xvii) General Partner (A) does not own and will not own any assets other than interests in the Trustor and the Other Borrowers, (B) is not engaged and will not engage in any business other than the ownership, management and operation of interests in the Trustor, the Other Borrowers and such other Affiliates, (C) will not enter into any contract or agreement with any Affiliate except in a written agreement upon terms and conditions that are intrinsically fair and substantively similar to those that would be available on an arm's length basis with third parties other than an Affiliate, (D) except as expressly permitted herein or in the other Loan Documents, has not incurred and will not incur any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation), other than the Loan, and (E) has not made and will not make any loans or advances to any Person (including any Affiliate) other than to Trustor.

(h) No Defaults. No Default or Event of Default exists or would exist as a result of the consummation of the transactions contemplated by the Loan Documents. Trustor is not in default in the payment or performance of any of its Contractual Obligations in any respect.

(i) Governmental Consents and Approvals. Trustor and General Partner have obtained or made all necessary (i) consents, approvals and authorizations, and registrations and filings of or with all Governmental Authorities and (ii) consents, approvals, waivers and notifications of partners, stockholders, creditors, lessors and other nongovernmental Persons, in each case, which are required to be obtained or made by Trustor or the General Partner in

connection with the execution and delivery of, and the performance by Trustor of its obligations under, the Loan Documents.

(j) Investment Company Act Status. Trustor is not an “investment company,” or a company “controlled” by an “investment company,” as such terms are defined in the Investment Company Act of 1940, as amended.

(k) Compliance with Law. Trustor is in compliance in all material respects with all Legal Requirements to which it or the Trust Property is subject, including, without limitation, all Environmental Statutes, the Occupational Safety and Health Act of 1970, the Americans with Disabilities Act and ERISA. No portion of the Trust Property has been or will be purchased by Trustor, improved by Trustor, fixtured by Trustor, equipped by Trustor or furnished by Trustor with proceeds of any illegal activity.

(l) Financial Information. All financial data that has been delivered by Trustor to Beneficiary (i) is true, complete and correct in all material respects, (ii) accurately represents the financial condition and results of operations of the Persons covered thereby as of the date on which the same shall have been furnished, and (iii) has been prepared on a cash basis in accordance with sound accounting principles consistently applied (or such other accounting basis as is reasonably acceptable to Beneficiary) throughout the periods covered. As of the date hereof, neither Trustor nor General Partner has any contingent liability, liability for taxes or other unusual or forward commitment not reflected in such financial statements delivered to Beneficiary; since the date of the last financial statements delivered by Trustor to Beneficiary except as otherwise disclosed in such financial statements or notes thereto, there has been no change in the assets, liabilities or financial position of Trustor nor General Partner, or in the results of operations of Trustor which would have a Material Adverse Effect. Neither Trustor nor General Partner has incurred any obligation or liability, contingent or otherwise not reflected in such financial statements which would have a Material Adverse Effect.

(m) Transaction Brokerage Fees. Trustor has not dealt with any financial advisors, brokers, underwriters, placement agents, agents or finders in connection with the transactions contemplated by this Deed of Trust except for Beneficiary and its Affiliates. All brokerage fees, commissions and other expenses payable in connection with the transactions contemplated by the Loan Documents have been paid in full contemporaneously with the execution of the Loan Documents and the funding of the Loan. Trustor hereby agrees to indemnify and hold Beneficiary harmless from and against any and all claims, actual liabilities, costs and expenses of any kind in any way relating to or arising from (i) a claim by any Person that such Person acted on behalf of Trustor in connection with the transactions contemplated herein or (ii) any breach of the foregoing representation. The provisions of this subsection (m) shall survive the repayment of the Debt.

(n) Federal Reserve Regulations. No part of the proceeds of the Loan 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 Loan Documents.

(o) Pending Litigation. There are no actions, suits or proceedings pending or, to the best knowledge of Trustor, threatened against or affecting Trustor or the Trust Property in any court or before any Governmental Authority which if adversely determined either individually or collectively has or is reasonably likely to have a Material Adverse Effect.

(p) Solvency. No Bankruptcy. Each of Trustor and the General Partner (i) is and has at all times been Solvent and will remain Solvent immediately upon the consummation of the transactions contemplated by the Loan Documents and (ii) is free from bankruptcy, reorganization or arrangement proceedings or a general assignment for the benefit of creditors and is not contemplating the filing of a petition under any state or federal bankruptcy or insolvency laws or the liquidation of all or a major portion of such Person's assets or property and Trustor has no knowledge of any Person contemplating the filing of any such petition against it or the General Partner. None of the transactions contemplated hereby will be or have been made with an intent to hinder, delay or defraud any present or future creditors of Trustor and Trustor has received reasonably equivalent value in exchange for its obligations under the Loan Documents. Trustor's assets do not, and immediately upon consummation of the transaction contemplated in the Loan Documents will not, constitute unreasonably small capital to carry out its business as presently conducted or as proposed to be conducted. Trustor does not intend to, nor believe that it will, incur debts and liabilities beyond its ability to pay such debts as they may mature.

(q) Use of Proceeds. The proceeds of the Loan shall be applied by Trustor to, inter alia, (i) satisfy certain mortgage loans presently encumbering all or a part of the Trust Property, (ii) fund the Escrow Fund, (iii) purchase the Trust Property, (iv) pay certain transaction costs incurred by Trustor in connection with the Loan and the acquisition of the Trust Property and (v) to pay other business expenses approved by Beneficiary. No portion of the proceeds of the Loan will be used for family, personal, agricultural or household use.

(r) Tax Filings. Trustor and, if applicable, each General Partner, have filed all federal, state and local tax returns required to be filed and have paid or made adequate provision for the payment of all federal, state and local taxes, charges and assessments payable by Trustor and, if applicable, the General Partners. Trustor and, if applicable, the General Partners, believe that their respective tax returns properly reflect the income and taxes of Trustor and said General Partner, if any, for the periods covered thereby, subject only to reasonable adjustments required by the Internal Revenue Service or other applicable tax authority upon audit.

(s) Not Foreign Person. Trustor is not a "foreign person" within the meaning of §1445(f)(3) of the Code.

(t) ERISA. (i) The assets of Trustor and Guarantor are not and will not become treated as “plan assets”, whether by operation of law or under regulations promulgated under ERISA. Each Plan and Welfare Plan, and, to the knowledge of Trustor, each Multiemployer Plan, is in compliance in all material respects with, and has been administered in all material respects in compliance with, its terms and the applicable provisions of ERISA, the Code and any other applicable Legal Requirement, and no event or condition has occurred and is continuing as to which Trustor would be under an obligation to furnish a report to Beneficiary under clause (ii)(A) of this Section. Other than an application for a favorable determination letter with respect to a Plan, there are no pending issues or claims before the Internal Revenue Service, the United States Department of Labor or any court of competent jurisdiction related to any Plan or Welfare Plan under which Trustor, Guarantor or any ERISA Affiliate, directly or indirectly (through an indemnification agreement or otherwise), could be subject to any material risk of liability under Section 409 or 502(i) of ERISA or Section 4975 of the Code. No Welfare Plan provides or will provide benefits, including, without limitation, death or medical benefits (whether or not insured) with respect to any current or former employee of Trustor, Guarantor or any ERISA Affiliate beyond his or her retirement or other termination of service other than (A) coverage mandated by applicable law, (B) death or disability benefits that have been fully provided for by fully paid up insurance or (C) severance benefits.

(ii) Trustor will furnish to Beneficiary as soon as possible, and in any event within ten (10) days after Trustor knows or has reason to believe that any of the events or conditions specified below with respect to any Plan, Welfare Plan or Multiemployer Plan has occurred or exists, an Officer's Certificate setting forth details respecting such event or condition and the action, if any, that Trustor or its ERISA Affiliate proposes to take with respect thereto (and a copy of any report or notice required to be filed with or given to PBGC (or any other relevant Governmental Authority) by Trustor or an ERISA Affiliate with respect to such event or condition, if such report or notice is required to be filed with the PBGC or any other relevant Governmental Authority:

(A) any reportable event, as defined in Section 4043(b) of ERISA and the regulations issued thereunder, with respect to a Plan, as to which PBGC has not by regulation waived the requirement of Section 4043(a) of ERISA that it be notified within thirty (30) days of the occurrence of such event (provided that a failure to meet the minimum funding standard of Section 412 of the Code of Section 302 of ERISA, including, without limitation, the failure to make on or before its due date a required installment under Section 412(m) of the Code of Section 302(e) of ERISA, shall be a reportable event regardless of the issuance of any waivers in accordance with Section 412(d) of the Code), and any request for a waiver under Section 412(d) of the Code for any Plan;

(B) the distribution under Section 4041 of ERISA of a notice of intent to terminate any Plan or any action taken by Trustor or an ERISA Affiliate to terminate any Plan:

(C) the institution by PBGC of proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by Trustor or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by PBGC with respect to such Multiemployer Plan;

(D) the complete or partial withdrawal from a Multiemployer Plan by Trustor or any ERISA Affiliate that results in liability under Section 4201 or 4204 of ERISA (including the obligation to satisfy secondary liability as a result of a purchaser default) or the receipt by Trustor or any ERISA Affiliate of notice from a Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA or that it intends to terminate or has terminated under Section 4041A of ERISA;

(E) the institution of a proceeding by a fiduciary of any Multiemployer Plan against Trustor or any ERISA Affiliate to enforce Section 515 of ERISA, which proceeding is not dismissed within thirty (30) days;

(F) the adoption of an amendment to any Plan that, pursuant to Section 401(a)(29) of the Code or Section 307 of ERISA, would result in the loss of tax-exempt status of the trust of which such Plan is a part if Trustor or an ERISA Affiliate fails to timely provide security to the Plan in accordance with the provisions of said Sections; or

(G) the imposition of a lien or a security interest in connection with a Plan.

(iii) Trustor shall not knowingly engage in or permit any transaction in connection with which Trustor, Guarantor or any ERISA Affiliate could be subject to either a civil penalty or tax assessed pursuant to Section 502(i) or 502(1) of ERISA or Section 4975 of the Code, permit any Welfare Plan to provide benefits, including without limitation, medical benefits (whether or not insured), with respect to any current or former employee of Trustor, Guarantor or any ERISA Affiliate beyond his or her retirement or other termination of service other than (A) coverage mandated by applicable law, (B) death or disability benefits that have been fully provided for by paid up insurance or otherwise or (C) severance benefits, permit the assets of Trustor or Guarantor to become "plan assets", whether by operation of law or under regulations promulgated under ERISA or adopt, amend (except as may be required by applicable law) or increase the amount of any benefit or amount payable under, or permit any ERISA Affiliate to adopt, amend (except as may be required by applicable law) or increase the amount of any benefit or amount payable under, any employee benefit plan (including, without limitation, any employee welfare benefit plan) or other plan, policy or arrangement, except for normal increases in the ordinary course of business consistent with past practice that, in the aggregate, do not result in a material increase in benefits expense to Trustor, Guarantor or any ERISA Affiliate.

(u) Labor Matters. Trustor is not a party to any collective bargaining agreements.

Section 2.03. Further Acts, etc. Trustor will, at the cost of Trustor, and without expense to Beneficiary, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Beneficiary or Deed Trustee shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Beneficiary the property and rights hereby mortgaged, given, granted, bargained, sold, alienated, enfeoffed, conveyed, confirmed, pledged, assigned and hypothecated, or which Trustor may be or may hereafter become bound to convey or assign to Beneficiary or Deed Trustee or for carrying out or facilitating the performance of the terms of this Deed of Trust or for filing, registering or recording this Deed of Trust and, on demand, will execute and deliver and hereby authorizes Beneficiary to execute in the name of Trustor or without the signature of Trustor to the extent Beneficiary may lawfully do so, one or more financing statements, chattel mortgages or comparable security instruments, to evidence more effectively the lien hereof upon the Trust Property. Trustor grants to Beneficiary an irrevocable power of attorney coupled with an interest for the purpose of protecting, perfecting, preserving and realizing upon the interests granted pursuant to this Deed of Trust and to effect the intent hereof, all as fully and effectually as Trustor might or could do; and Trustor hereby ratifies all that Beneficiary shall lawfully do or cause to be done by virtue hereof.

Section 2.04. Recording of Mortgage, etc. Trustor 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 or evidencing the lien hereof upon the Trust 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 Beneficiary in, the Trust Property. Trustor will pay all filing, registration or recording fees, and all expenses incident to the preparation, execution and acknowledgment of this Deed of Trust, any mortgage supplemental hereto, any security instrument with respect to the Trust 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 mortgage supplemental hereto, any security instrument with respect to the Trust Property or any instrument of further assurance, except where prohibited by law to do so, in which event Beneficiary may declare the Debt to be immediately due and payable. Trustor shall hold harmless and indemnify Beneficiary and Deed Trustee, and their successors and assigns, against any actual liability incurred as a result of the imposition of any tax on the making and recording of this Deed of Trust.

Section 2.05. Representations and Warranties as to the Trust Property. Trustor represents and warrants with respect to the Trust Property as follows:

(a) Lien Priority. This Deed of Trust is a valid and enforceable first lien on the Trust Property, free and clear of all encumbrances and liens having priority over the lien of this Deed of Trust, except for the items set forth as exceptions to or subordinate matters in the title

insurance policy insuring the lien of this Deed of Trust, none of which, individually or in the aggregate, materially interfere with the benefits of the security intended to be provided by this Deed of Trust, materially affect the value or marketability of the Trust Property, impair the use or operation of the Trust Property for the use currently being made thereof or impair Trustor's ability to pay its obligations in a timely manner (such items being the "Permitted Encumbrances").

(b) Title. Trustor has, subject only to the Permitted Encumbrances, either (i) good, insurable and marketable fee simple title to the Premises, Improvements and Fixtures (collectively the "Realty") or (ii) good, insurable and marketable title to the Realty as tenant under the Ground Leases, and to all easements and rights benefitting the Realty and has the right, power and authority to mortgage, give, grant, bargain, sell, alien, enfeoff, convey, confirm, pledge, assign, and hypothecate the Trust Property. The Ground Leases are in full force and effect and there exists no default or event of default under the Ground Leases or any event which with the giving of notice or passage of time, or both, would constitute a default or event of default under the Ground Leases. Trustor will preserve its interest in and title to the Trust Property and will forever warrant and defend the same to Beneficiary against any and all claims made by, through or under Trustor and will forever warrant and defend the validity and priority of the lien and security interest created herein against the claims of all Persons whomsoever claiming by, through or under Trustor. 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 Beneficiary in the event Beneficiary acquires title to the Trust Property pursuant to any foreclosure. In addition, there are no outstanding options or rights of first refusal to purchase the Trust Property or Trustor's ownership thereof.

(c) Taxes and Impositions. All taxes and other Impositions and governmental assessments due and owing in respect of, and affecting, the Trust Property have been paid. Trustor has paid all Impositions which constitute special governmental assessments in full, except for those assessments which are permitted by applicable Legal Requirements to be paid in installments, in which case all installments which are due and payable have been paid in full. There are no pending, or to Trustor's best knowledge, proposed special or other assessments for public improvements or otherwise affecting the Trust Property, nor except as previously disclosed to Beneficiary in writing, are there any contemplated improvements to the Trust Property that may result in such special or other assessments.

(d) Casualty; Flood Zone. The Realty is in good repair and free and clear of any damage, destruction or casualty (whether or not covered by insurance) that would materially adversely affect the value of the Realty or the use for which the Realty was intended. No portion of the Premises is located in an "area of special flood hazard," as that term is defined in the regulations of the Federal Insurance Administration, Department of Housing and Urban Development, under the National Flood Insurance Act of 1968, as amended (24 CFR § 1909.1) or Trustor has obtained the flood insurance required by Section 3.01(a)(vi) hereof. The Premises either does not lie in a 100 year flood plain that has been identified by the Secretary of Housing

and Urban Development or any other Governmental Authority or, if it does, Trustor has obtained the flood insurance required by Section 3.01(a)(vi) hereof.

(e) Completion: Encroachment. All Improvements necessary for the efficient use and operation of the Premises, including, without limitation, all Improvements which were included for purposes of determining the appraised value of the Trust Property in the Appraisal, have been completed and none of said Improvements lie outside the boundaries and building restriction lines of the Premises. Except as set forth in the title insurance policy insuring the lien of this Deed of Trust, no improvements on adjoining properties encroach upon the Premises.

(f) Separate Lot. The Premises are taxed separately without regard to any other real estate and constitute legally subdivided lots under all applicable Legal Requirements (or, if not subdivided, no subdivision or platting of the Premises is required under applicable Legal Requirements), and for all purposes may be mortgaged, conveyed or otherwise dealt with as an independent parcel. The Trust Property does not benefit from any tax abatement or exemption.

(g) Use. The existence of all Improvements, the present use and operation thereof and the access of the Premises and the Improvements to all of the utilities and other items referred to in paragraph (k) below are in compliance in all material respects with all Leases affecting the Trust Property and all applicable Legal Requirements, including, without limitation, Environmental Statutes, Development Laws and Use Requirements. Trustor has not received any notice from any Governmental Authority alleging any uncured violation relating to the Trust Property of any applicable Legal Requirements.

(h) Licenses and Permits. Trustor currently holds and will continue to hold all certificates of occupancy, licenses, registrations, permits, consents, franchises and approvals of any Governmental Authority or any other Person which are material for the lawful occupancy and operation of the Realty or which are material to the ownership or operation of the Trust Property or the conduct of Trustor's business. All such certificates of occupancy, licenses, registrations, permits, consents, franchises and approvals are current and in full force and effect.

(i) Environmental Matters. Trustor has received and reviewed the Environmental Report and has no reason to believe that the Environmental Report contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein or herein, in light of the circumstances under which such statements were made, not misleading.

(j) Property Proceedings. Except as previously disclosed in writing to Beneficiary, there are no actions, suits or proceedings pending or, to the best of Trustor's knowledge, threatened in any court or before any Governmental Authority or arbitration board or tribunal (i) relating to (A) the zoning of the Premises or any part thereof, (B) any certificates of occupancy, licenses, registrations, permits, consents or approvals issued with respect to the Trust Property or any part thereof, (C) the condemnation of the Trust Property or any part thereof, or (D) the

condemnation or relocation of any roadways abutting the Premises required for access or the denial or limitation of access to the Premises or any part thereof from any point of access to the Premises, (ii) asserting that (A) any such zoning, certificates of occupancy, licenses, registrations, permits, consents and/or approvals do not permit the operation of any material portion of the Realty as presently being conducted, (B) any material improvements located on the Trust Property or any part thereof cannot be located thereon or operated with their intended use or (C) the operation of the Trust Property or any part thereof is in violation in any material respect of any Environmental Statutes, Development Laws or other Legal Requirements or Space Leases or Property Agreements or (iii) which (A) might affect the validity or priority of any Loan Document or (B) have a Material Adverse Effect. Trustor is not aware of any facts or circumstances which may give rise to any actions, suits or proceedings described in the preceding sentence.

(k) Utilities. The Premises has all necessary legal access to water, gas and electrical supply, storm and sanitary sewerage facilities, other required public utilities (with respect to each of the aforementioned items, by means of either a direct connection to the source of such utilities or through connections available on publicly dedicated roadways directly abutting the Premises or through permanent insurable easements benefitting the Premises), fire and police protection, parking, and means of direct access between the Premises and public highways, streets or roadways over recognized curb cuts (or such access to public highways, streets or roadways is through private roadways which may be used for ingress and egress pursuant to permanent insurable easements).

(l) Mechanics' Liens. The Trust Property is free and clear of any mechanics' liens or liens in the nature thereof, and no rights are outstanding that under law could give rise to any such liens, any of which liens are or may be prior to, or equal with, the lien of this Deed of Trust, except those which are insured against by the title insurance policy insuring the lien of this Deed of Trust.

(m) Title Insurance. Beneficiary has received a lenders' title insurance policy insuring this Deed of Trust as a first lien on the Trust Property subject only to Permitted Encumbrances.

(n) Insurance. The Trust Property is insured in accordance with the requirements set forth in Article III hereof.

(o) Space Leases.

(i) Trustor has delivered a schedule, certified by Trustor to be true, correct and complete, of all Space Leases as of the date hereof, which accurately and completely sets forth in all material respects, for each such Space Lease, the following (collectively, the "Rent Roll"): the name of the tenant; the unit occupied, the unit size; the lease expiration date; the monthly rent; the security deposit held thereunder, if any; prepaid rent (shown both as to the Trust Property individually and aggregated with prepayments with respect to the Other

Properties), if any and delinquency record. Any security deposits held by Trustor are being maintained by Trustor in accordance with the terms of the applicable Space Leases and all applicable Legal Requirements.

(ii) Each Space Lease constitutes the legal, valid and binding obligation of Trustor and, to the knowledge of Trustor, is enforceable against the tenant thereof. No default exists, or with the passing of time or the giving of notice would exist, (A) under any Major Space Lease or (B) under any other Space Leases which would, in the aggregate, have a Material Adverse Effect.

(iii) No tenant under any Space Lease has, as of the date hereof, paid Rent more than thirty (30) days in advance except as disclosed to Beneficiary on the Rent Roll delivered on or about the Closing Date and subject to the requirements set forth in Section 5.02 below and the Rents under such Space Leases have not been waived, released, or otherwise discharged or compromised.

(iv) Except as previously disclosed to Beneficiary in writing, there are no options to terminate any Major Space Lease.

(v) Trustor has delivered to Beneficiary a true, correct and complete copy of the form of Space Lease described in the Rent Roll and, to the extent requested by Beneficiary, a copy of each Space Lease.

(vi) To the best of Trustor's knowledge, each Space Lease is in full force and effect and (except as disclosed on the Rent Roll) has not been assigned, modified, supplemented or amended in any way.

(vii) No Space Lease provides any party with the right to obtain a lien or encumbrance upon the Trust Property superior to the lien of this Deed of Trust or the right to acquire, or any right of first refusal or similar right with respect to acquiring, all or any portion of the Trust Property.

(p) Property Agreements.

(i) Trustor has delivered to Beneficiary true, correct and complete copies of all Property Agreements.

(ii) No Property Agreement provides any party with the right to obtain a lien or encumbrance upon the Trust Property superior to the lien of this Deed of Trust.

(iii) No default exists or with the passing of time or the giving of notice or both would exist under any Property Agreement which would, individually or in the aggregate, have a Material Adverse Effect.

(iv) Trustor has not received or given any written communication which alleges that a default exists or, with the giving of notice or the lapse of time, or both, would exist under the provisions of any Property Agreement.

(v) No condition exists whereby Trustor or any future owner of the Trust Property may be required to purchase any other parcel of land which is subject to any Property Agreement or which gives any Person a right to purchase, or right of first refusal with respect to, the Trust Property.

(vi) To the best knowledge of Trustor, no offset or any right of offset exists respecting continued contributions to be made by any party to any Property Agreement except as expressly set forth therein. Except as previously disclosed to Beneficiary in writing, no material exclusions or restrictions on the utilization, leasing or improvement of the Trust Property (including non-compete agreements) exists in any Property Agreement.

(vii) Except as previously disclosed to Beneficiary in writing, all "pre-opening" requirements contained in all Property Agreements (including, but not limited to, all off-site and on-site construction requirements), if any, have been fulfilled, and, to the best of Trustor's knowledge, no condition now exists whereby any party to any such Property Agreement could refuse to honor its obligations thereunder.

(viii) Except as previously disclosed to Beneficiary in writing, all work, if any, to be performed by Trustor under each of the Property Agreements has been substantially performed, all contributions to be made by Trustor to any party to such Property Agreements have been made, and all other conditions to such party's obligations thereunder have been satisfied.

(q) Personal Property. Trustor has delivered to Beneficiary a true, correct and complete schedule of all personal property, if any, owned or leased by Trustor and located upon the Trust Property or used in connection with the use or operation of the Trust Property and Trustor represents that it has good and marketable title to all such personal property, free and clear of any liens, except for liens created under the Loan Documents, liens in connection with the leasing by Trustor of any such property and liens which describe the equipment and other personal property owned by tenants.

(r) Leasing Brokerage and Management Fees. Except as previously disclosed to Beneficiary in writing, there are no brokerage fees or commissions payable by Trustor with respect to the leasing of space at the Trust Property and except for the management fee previously disclosed to Beneficiary and payable to the Manager, there are no management fees payable by Trustor with respect to the management of the Trust Property.

(s) Security Deposits. Trustor is in compliance with all Legal Requirements relating to security deposits with respect to the Trust Property as to which failure to comply might,

individually or in the aggregate, have a Material Adverse Effect, provided, however, Trustor makes no representation or warranty as to Trustor's predecessor-in-interest's compliance with Legal Requirements relating to security deposits with respect to the Trust Property.

(t) Loan to Value Ratio. To the best knowledge of Trustor, based on the substantial real estate expertise of Trustor, Trustor's familiarity with the Trust Property, and the Appraisal (which Trustor believes to contain a reasonable assessment of the fair market value of the Trust Property), the Principal Amount does not exceed eighty-five percent (85%) of the fair market value of the Trust Property and all other property encumbered by the Other Deeds of Trust. For the purposes of this clause (t), the term "fair market value" shall be reduced by (i) the amount of any indebtedness secured by a lien affecting the Trust Property that is prior to, or on a parity with, the lien of this Deed of Trust, and (ii) the value of any property that is not "real property" within the meaning of Treas. Reg. §§ 1.860G-2 and 1.856-3(d).

(u) Ground Leases.

(i) With respect to any Ground Leases, Trustor has delivered to Beneficiary true, correct and complete copies of such Ground Leases.

(ii) Each Ground Lease constitutes the legal, valid and binding obligation of Trustor and, to the best of Trustor's knowledge, is enforceable against the lessor thereunder in accordance with its terms.

(iii) No default or event of default exists, or with the passing of time or the giving of notice, or both, would exist under any Ground Lease.

(iv) Trustor has not received or given any written communication which alleges that a default or event of default exists or, with the giving of notice or the lapse of time, or both, would exist under the provisions of any Ground Lease.

(v) Representations Generally. The representations and warranties contained in this Deed of Trust, and the review and inquiry made on behalf of Trustor therefor, have all been made by Persons having the requisite expertise and knowledge to provide such representations and warranties. No representation, warranty or statement of fact made by or on behalf of Trustor in this Deed of Trust or in any certificate, document or schedule furnished to Beneficiary 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 (which may be to Trustor's best knowledge where so provided herein). There are no facts presently known to Trustor which have not been disclosed to Beneficiary which would, individually or in the aggregate, have a Material Adverse Effect nor as far as Trustor can foresee might, individually or in the aggregate, have a Material Adverse Effect.

Section 2.06. Removal of Lien. (a) Trustor shall, at its expense, maintain this Deed of Trust as a first lien on the Trust Property and shall keep the Trust Property free and clear of all liens of any kind and nature other than the Permitted Encumbrances. Trustor shall, within thirty (30) days following the filing thereof (or such earlier time as required by Beneficiary in the event that the lienor commences execution proceedings), promptly discharge of record, by bond or otherwise, any such liens and, promptly upon request by Beneficiary, shall deliver to Beneficiary evidence reasonably satisfactory to Beneficiary of the discharge thereof.

(b) Without limitation to the provisions of Section 2.06(a) hereof, Trustor shall (i) pay, from time to time when the same shall become due, all claims and demands of mechanics, materialmen, laborers, and others which, if unpaid, might result in, or permit the creation of, a lien on the Trust Property or any part thereof, or on the revenues, rents, issues, income or profits arising therefrom, (ii) cause to be removed of record (by payment or posting of bond or settlement or otherwise) any mechanics', materialmen', laborers' or other lien on the Trust Property, or any part thereof, or on the revenues, rents, issues, income or profit arising therefrom, and (iii) in general, do or cause to be done, without expense to Beneficiary, everything necessary to preserve in full the lien of this Deed of Trust. If Trustor fails to comply with the requirements of paragraph (b) of this Section 2.06, then, upon five (5) Business Days' prior notice to Trustor, Beneficiary may, but shall not be obligated to, pay any such lien, and Trustor shall, within five (5) Business Days after Beneficiary's demand therefor, reimburse Beneficiary 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 Beneficiary, 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.

(c) Notwithstanding the foregoing, Trustor may contest any lien (other than a lien relating to non-payment of Impositions, the contest of which shall be governed by Section 4.04 hereof) of the type set forth in subparagraph (b)(ii) of this Section 2.06 provided that, following prior notice to Beneficiary (i) Trustor is contesting the validity of such lien with due diligence and in good faith and by appropriate proceedings, without cost or expense to Beneficiary or any of its agents, employees, officers, or directors, (ii) such lien has been discharged of record by bond or otherwise, (iii) such contest by Trustor shall not affect the ownership, use or occupancy of the Trust Property, (iv) such contest by Trustor shall not subject Beneficiary or Trustor to the risk of civil or criminal liability (other than the civil liability of Trustor for the amount of the lien in question), (v) Trustor has not consented to such lien, (vi) Trustor has given Beneficiary prompt notice of the filing of such lien and the discharge thereof by Trustor and, upon request by Beneficiary from time to time, notice of the status of such contest by Trustor and/or confirmation of the continuing satisfaction of the conditions set forth in this Section 2.06(c), and (vii) Trustor shall promptly pay the obligation secured by such lien upon a final determination of Trustor's liability therefor.

Section 2.07. Cost of Defending and Upholding this Deed of Trust Lien. If any action or proceeding is commenced to which Beneficiary or Deed Trustee is made a party relating to the Loan Documents and/or the Trust Property or Beneficiary's or Deed Trustee's interest therein or in which it becomes necessary to defend or uphold the lien of this Deed of Trust or any other Loan Document, Trustor shall, on demand, reimburse Beneficiary and/or Deed Trustee for all expenses (including, without limitation, reasonable attorneys' fees and disbursements of outside counsel retained by Beneficiary and/or Deed Trustee and/or any servicer) actually incurred by Beneficiary and/or Deed Trustee 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 2.08. Use of the Trust Property. Trustor will use, or cause to be used, the Trust Property for such use as is permitted pursuant to applicable Legal Requirements including, without limitation, under the certificate of occupancy applicable to the Trust Property, and which is required by the Loan Documents. Trustor shall not suffer or permit the Trust Property or any portion thereof to be used by the public, any tenant, or any Person not subject to a Lease, in a manner as is reasonably likely to impair Trustor's title to the Trust 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 Trust Property or any part thereof.

Section 2.09. Financial Reports. (a) Trustor will keep and maintain or will cause to be kept and maintained on a Fiscal Year basis, on a cash basis in accordance with sound accounting principles consistently applied (or such other accounting basis reasonably acceptable to Beneficiary), proper and accurate books, records and accounts reflecting (i) all of the financial affairs of Trustor and (ii) all items of income and expense in connection with the operation of the Trust Property or in connection with any services, equipment or furnishings provided in connection with the operation thereof, whether such income or expense may be realized by Trustor or by any other Person whatsoever, excepting lessees unrelated to and unaffiliated with Trustor who have leased from Trustor portions of the Premises for the purpose of occupying the same. Beneficiary shall have the right from time to time at all times during normal business hours upon reasonable notice to examine such books, records and accounts at the office of Trustor or other Person maintaining such books, records and accounts and to make such copies or extracts thereof as Beneficiary shall desire. After the occurrence and during the continuance of an Event of Default, Trustor shall pay any reasonable costs and expenses incurred by Beneficiary to examine Trustor's accounting records with respect to the Trust Property, as Beneficiary shall determine to be necessary or appropriate in the protection of Beneficiary's interest.

(b) Trustor will furnish Beneficiary annually, within one hundred twenty (120) days following the end of each Fiscal Year of Trustor, with a complete copy of Trustor's financial statement certified to be true, correct and complete by a certified public accountant that is acceptable to Beneficiary in accordance with sound accounting principles consistently applied (or such other accounting basis reasonably acceptable to Beneficiary) covering (i) all of the

financial affairs of Trustor and (ii) the operation of the Trust Property for such Fiscal Year and containing a statement of revenues and expenses, a statement of assets and liabilities and a statement of Trustor's equity. Together with Trustor's annual financial statements, Trustor furnish to Beneficiary an Officer's Certificate certifying as of the date thereof (i) that the annual financial statements accurately represent the results of operation and financial condition of Trustor and the Trust Property all in accordance with sound accounting principles consistently applied, and (ii) whether there exists an event or circumstance which constitutes, or which upon notice or lapse of time or both would constitute, an Event of Default under the Note or any other Loan Document executed and delivered by Trustor, and if such event or circumstance exists, the nature thereof, the period of time it has existed and the action then being taken to remedy such event or circumstance.

(c) Trustor will furnish Beneficiary quarterly, within thirty (30) days following the end of each calendar quarter (such calendar quarters ending, for purposes of this Section 2.09, on March 31, June 30, September 30 and December 31 of each year during which this Deed of Trust is outstanding), with a true, complete and correct cash flow statement with respect to the Trust Property in Beneficiary's standard form, showing (i) all cash receipts of any kind whatsoever and all cash payments and disbursements, and (ii) year-to-date summaries of such cash receipts, payments and disbursements together with a certification of the Manager stating that such cash flow statement is true, complete and correct.

(d) Trustor will furnish Beneficiary quarterly, within thirty (30) days following the end of each calendar quarter, with a certification of the Manager stating that all Operating Expenses with respect to the Trust Property which had accrued as of the last day of the month preceding the delivery of the cash flow statement referred to in clause (c) above have been fully paid or otherwise reserved or provided for by the Manager (any such certification or any certification furnished by a Manager pursuant to clause (c) above, a "Manager Certification").

(e) Trustor will furnish Beneficiary annually, upon request by Beneficiary therefor, within thirty (30) days following receipt of such request, with a true, complete and correct rent roll for the Trust Property, including a list of which tenants are in default under their respective leases, dated as of the date of Beneficiary's request, identifying each tenant, the monthly rent and additional rent, if any, payable by such tenant, the expiration date of such tenant's Lease, the security deposit, if any, held by Trustor under the Lease, the space covered by the Lease, and the arrearages for such tenant, if any, and such rent roll shall be accompanied by an Officer's Certificate, dated as of the date of the delivery of such rent roll, certifying that such rent roll is true, correct and complete in all material respects as of its date.

(f) Trustor shall furnish to Beneficiary, within thirty (30) days after Beneficiary's request therefor (but if such information cannot be obtained using reasonable efforts within said thirty day period, such longer period of time, but in no event to exceed an additional thirty (30) days, as may be necessary so long as Trustor diligently attempts to obtain such information) with

such further detailed information with respect to the operation of the Trust Property and the financial affairs of Trustor as may be reasonably requested by Beneficiary.

(g) Trustor shall cause the Manager to furnish to Beneficiary, within thirty (30) days after the end of each calendar quarter, a schedule of tenant security deposits, together with a certification of the Manager that such tenant security deposits are being held in accordance with all Legal Requirements.

(h) Trustor will furnish Beneficiary annually, within one hundred twenty (120) days after the end of each Fiscal Year, with a report setting forth (i) the Net Operating Income for such Fiscal Year, (ii) the average occupancy rate of the Trust Property during such Fiscal Year, and (iii) the capital repairs, replacements and improvements performed at the Trust Property during such Fiscal Year and the aggregate expenditures made in connection therewith and in connection with leasing the Trust Property.

Section 2.10. Litigation. Trustor will give prompt written notice to Beneficiary of any litigation or governmental proceedings pending or threatened (in writing) against Trustor which might have a Material Adverse Effect.

Section 2.11. Updates of Representations. Trustor shall deliver to Beneficiary within ten (10) days of the request of Beneficiary an Officer's Certificate updating all of the representations and warranties contained in this Deed of Trust and the other Loan Documents and certifying that all of the representations and warranties contained in this Deed of Trust and the other Loan Documents, as updated pursuant to such Officer's Certificate, are true, accurate and complete as of the date of such Officer's Certificate. So long as no Event of Default exists and is continuing, Beneficiary shall not request an Officer's Certificate more than once every six months.

Section 2.12. Certain Matters Respecting the Bankruptcy Code

(a) The Trustor shall not, without the Beneficiary's prior written consent, elect to treat any Ground Lease as terminated under Section 365(h)(i) (or any other applicable section) of the Bankruptcy Code. Any such election made without Beneficiary's prior written consent shall be void.

(b) If pursuant to § 365(h)(2) of the Bankruptcy Code, the Trustor seeks to offset against the rent reserved in any Ground Lease the amount of any damages caused by the non-performance by the lessor of any of the lessor's obligations under the Ground Lease after the rejection by the lessor of the Ground Lease under the Bankruptcy Code, the Trustor shall, prior to effecting such offset, notify the Beneficiary of its intention to do so, setting forth the amounts proposed to be so offset and the basis therefor. The Beneficiary shall have the right to object to all or any part of such offset, and, in the event of such objection, the Trustor shall not effect any offset of the amounts so objected to by the Beneficiary. If the Beneficiary has failed to object as aforesaid within ten (10) Business Days after notice from the Trustor in accordance with the first

sentence of this Section 2.12(b), the Trustor may proceed to effect such offset in the amounts set forth in the Trustor's notice. Neither the Beneficiary's failure to object as aforesaid nor any objection or other communication between the Beneficiary and the Trustor relating to such offset shall constitute an approval of any such offset by the Beneficiary. The Trustor shall indemnify and save the Beneficiary harmless from and against any and all claims, demands, actions, suits, proceedings, damages, losses, costs and expenses of every nature whatsoever (including, without limitation, attorney's fees and disbursements) arising from or relating to any such offset by the Trustor against the rent reserved in any Ground Lease.

(c) The Trustor shall promptly after obtaining knowledge notify the Beneficiary orally of any filing by or against the ground lessor under any Ground Lease (a "Ground Lessor") of a petition under the Bankruptcy Code. The Trustor shall thereafter forthwith give written notice of such filing to the Beneficiary, setting forth any information available to the Trustor as to the date of such filing, the court in which such petition was filed, and the relief sought therein. The Trustor shall promptly deliver to the Beneficiary following receipt any and all notices, summonses, pleadings, applications and other documents received by the Trustor in connection with any such petition and any proceedings relating thereto.

(d) If there shall be filed by or against the Trustor a petition under the Bankruptcy Code, and the Trustor, as the lessee under any Ground Lease, shall determine to reject the Ground Lease pursuant to Section 365(a) of the Bankruptcy Code, then the Trustor shall give the Beneficiary not less than ten (10) Business Days' prior notice of the date on which the Trustor shall apply to the bankruptcy court for authority to reject the Ground Lease. The Beneficiary shall have the right, but not the obligation, to serve upon the Trustor within such 10-day period a notice stating that (x) the Beneficiary demands that the Trustor assume and assign the Ground Lease to the Beneficiary pursuant to Section 365 of the Bankruptcy Code and (y) the Beneficiary covenants to cure or provide adequate assurance of future performance under the Ground Lease. If the Beneficiary serves upon the Trustor the notice described in the preceding sentence, the Trustor shall not seek to reject the Ground Lease and shall comply with the demand provided for in clause (x) of the preceding sentence.

(e) Effective upon the entry of an order for relief in respect of the Trustor under the Bankruptcy Code, the Trustor hereby assigns and transfers to the Beneficiary a non-exclusive right to apply to the Bankruptcy Court under § 365(d)(4) of the Bankruptcy Code for an order extending the period during which any Ground Lease may be rejected or assumed.

Section 2.13. Certain Matters Respecting the Ground Leases

(a) Trustor will at all times fully and promptly perform and comply with all obligations of tenant under each Ground Lease without relying on any grace period provided therein, and if Trustor shall fail to do so, Beneficiary may (but shall not be obligated to) take any such action, without awaiting the expiration of any grace period, as Beneficiary deems necessary or desirable to prevent or to cure any default by Trustor thereunder; that upon receipt by Beneficiary from

the Ground Lessor under any Ground Lease of any written notice of default by the tenant, Beneficiary may rely thereon and take any such action even though the existence of such default or the nature be questioned or denied by or on behalf of the Trustor; that Trustor hereby expressly grants to Beneficiary, and agrees that Beneficiary shall have the absolute and immediate right (but no obligation) to enter in and upon the Trust Property or any part to such extent and as often as Beneficiary, in its sole discretion, deems necessary or desirable in order to prevent or to cure any such default by Trustor; that Trustor shall pay to Beneficiary, immediately and without deduction, demand, offset or counterclaim, all sums actually paid by Beneficiary pursuant to this section, with interest thereon from the date of each such payment at the Default Rate; and that, without limitation to any other provision hereof, all sums so paid and expended by Beneficiary, and the interest, shall be added to and be secured by the lien of this Deed of Trust. Trustor agrees not to suffer or incur, or permit to be suffered or incurred, any default on the part of the tenant under any Ground Lease.

(b) Trustor agrees not to amend or modify in any respect, or terminate or surrender, any Ground Lease without the prior written consent of Beneficiary being first had and obtained, which consent may be given or withheld in Beneficiary's sole discretion.

(c) Trustor agrees to furnish to Beneficiary copies of any and all notices of default served on Trustor as tenant by the Ground Lessor under any Ground Lease and such other notices as said Ground Lessor may serve on Trustor relating to any Ground Lease or the terms and provisions or operations by Trustor thereunder.

(d) Notwithstanding any advances made by Beneficiary of any monetary amounts required to be made by the tenant under any Ground Lease, thus curing default thereunder, non-payment by Trustor to Beneficiary of such amount or amounts so advanced shall continue to be and remain an Event of Default by Trustor hereunder, unless and until such amounts are paid to Beneficiary.

(e) Trustor shall from time to time as may be reasonably requested by Beneficiary furnish to Beneficiary evidence of Trustor's performance as tenant under each Ground Lease and substantiating that the terms and provisions to be kept and performed by Trustor as tenant thereunder have been duly performed.

(f) In the event the fee ownership and the leasehold estate created by any Ground Lease, or any interest therein, shall be held by the same person, such interests shall not merge but such fee ownership or interest therein shall immediately become subject to the lien of this Deed of Trust, and Trustor shall execute any instruments Beneficiary may reasonably require to that end. In the event that a merger shall for any reason be deemed or otherwise adjudicated by a court of competent jurisdiction to have occurred by virtue of the acquisition by Trustor of the fee title to the Trust Property covered by any Ground Lease, or otherwise, then and in such event the lien or charge of this Deed of Trust shall automatically encompass and attach to the fee title to the Trust Property and subject the fee title to the Trust Property described in the granting

clauses hereof to this Deed of Trust. Trustor will not divide or segregate into separate parcels the Trust Property or any part without the prior written consent of Beneficiary being first had and obtained, which consent may be given or withheld in Beneficiary's sole discretion.

ARTICLE III: INSURANCE AND CASUALTY RESTORATION

Section 3.01. Insurance Coverage. Trustor shall, at its expense, maintain the following insurance coverages with respect to the Trust Property during the term of this Deed of Trust:

(a) (i) Insurance against loss or damage by fire, casualty and other hazards included in an "all-risk" extended coverage endorsement or its equivalent, with such endorsements as Beneficiary may from time to time reasonably require and which are customarily required by Institutional Lenders of similar properties similarly situated, including, without limitation, if the Trust Property constitutes a legal non-conforming use, an ordinance of law coverage endorsement which contains "Demolition Cost", "Loss Due to Operation of Law" and "Increased Cost of Construction" coverages, covering the Trust Property in an amount not less than the greater of (A) 100% of the insurable replacement value of the Trust Property (exclusive of the Premises and footings and foundations) and (B) such other amount as is necessary to prevent any reduction in such policy by reason of and to prevent Trustor, Beneficiary or any other insured thereunder from being deemed to be a coinsurer. Not less frequently than once every two years, Trustor, at its option, shall either (A) have the Appraisal updated or obtain a new appraisal of the Trust Property, (B) have a valuation of the Trust Property made by or for its insurance carrier conducted by a Person experienced in valuing properties of similar type to that of the Trust Property which are in the geographical area in which the Trust Property is located or (C) provide such other evidence as will, in Beneficiary's sole judgment, enable Beneficiary to determine whether there shall have been an increase in the insurable value of the Trust Property and Trustor shall deliver such updated Appraisal, new appraisal, insurance valuation or other evidence acceptable to Beneficiary, as the case may be, and, if such updated Appraisal, new appraisal, insurance valuation, or other evidence acceptable to Beneficiary reflects an increase in the insurable value of the Trust Property, the amount of insurance required hereunder shall be increased accordingly and Trustor shall deliver evidence satisfactory to Beneficiary that such policy has been so increased.

(ii) Commercial comprehensive general liability insurance against claims for personal and bodily injury and/or death to one or more persons or property damage, occurring on, in or about the Trust Property (including the adjoining streets, sidewalks and passageways therein to the extent customarily obtained in the jurisdiction in which the Trust Property is located) in such amounts as Beneficiary may from time to time reasonably require (but in no event shall Beneficiary's requirements be increased more frequently than once during

each twelve (12) month period) and which are customarily required by Institutional Lenders for similar properties similarly situated, but not less than \$5,000,000.00.

(iii) Business interruption, rent loss or other similar insurance (A) with loss payable to Beneficiary, (B) covering all risks required to be covered by the insurance provided for in Section 3.01(a)(i) and (C) in an amount not less than 100% of the projected fixed or base rent plus percentage rent for the succeeding twelve (12) month period based on an occupancy rate of 95%. The amount of such insurance shall be determined upon the execution of this Deed of Trust, and not more frequently than once each calendar year thereafter based on Trustor's reasonable estimate of projected fixed or base rent plus percentage rent, from the Trust Property for the next succeeding twelve (12) months. In the event the Trust Property shall be damaged or destroyed, Trustor shall and hereby does assign to Beneficiary all payment of claims under the policies of such insurance, and all amounts payable thereunder, and all net amounts, shall be collected by Beneficiary under such policies and shall be applied in accordance with this Deed of Trust; provided, however, that (x) nothing herein contain shall be deemed to relieve Trustor of its obligations to timely pay all amounts due under the Loan Documents and (y) so long as there exists no Event of Default hereunder, Beneficiary shall tender to Trustor on a monthly basis any excess insurance proceeds received by Beneficiary on account of such rent loss or similar insurance following the payment of all debt service on the Note payable by the Trustor and all required impounds and reserves required by this Deed of Trust. Any such excess proceeds remitted to Trustor shall be applied by Trustor solely to the payment of other operating expenses in respect of the Trust Property.

(iv) INTENTIONALLY OMITTED

(v) Insurance against loss or damages from (A) leakage of sprinkler systems and (B) explosion of steam boilers, air conditioning equipment, pressure vessels or similar apparatus now or hereafter installed at the Trust Property, in such amounts as Beneficiary may from time to time reasonably require and which are then customarily required by Institutional Lenders of similar properties similarly situated.

(vi) Flood insurance in an amount equal to the full insurable value of the Trust Property or the maximum amount available, whichever is less, if the Improvements are located in an area designated by the Secretary of Housing and Urban Development as being "an area of special flood hazard" under the National Flood Insurance Program (i.e., having a one percent or greater chance of flooding), and if flood insurance is available under the National Flood Insurance Act.

(vii) Worker's compensation insurance or other similar insurance which may be required by Governmental Authorities or Legal Requirements.

(viii) Such other insurance as may from time to time be reasonably required by Beneficiary and which is then customarily required by Institutional Lenders for similar

properties similarly situated, against other insurable hazards, including, but not limited to, malicious mischief, vandalism, windstorm or earthquake, which at the time are commonly insured against and generally available in the case of properties similarly situated, due regard to be given to the size and type of the Premises, Improvements, Fixtures and Equipment and their location, construction and use.

(b) INTENTIONALLY OMITTED

(c) Trustor shall cause any Manager of the Trust Property to maintain fidelity insurance in an amount equal to or greater than the annual Operating Income of the Trust Property for the six (6) month period immediately preceding the date on which the premium for such insurance is due and payable or such lesser amount as Beneficiary shall approve.

Section 3.02. Policy Terms. (a) All insurance required by this Article III shall be in the form (other than with respect to Sections 3.01(a)(vi) and (vii) above when insurance in those two sub-sections is placed with a governmental agency or instrumentality on such agency's forms) and amount and with deductibles as, from time to time, shall be reasonably acceptable to Beneficiary, under valid and enforceable policies issued by financially responsible insurers authorized to do business in the State where the Trust Property is located, with a general policyholder's service rating of not less than A and a financial rating of not less than IX as rated in the most currently available Best's Insurance Reports (or the equivalent, if such rating system shall hereafter be altered or replaced) and shall have a claims paying ability rating of not less than "AA" from a Rating Agency or, if not rated by a Rating Agency, then a claims paying ability rating of "AA" from at least two nationally recognized statistical rating agencies. Originals or certified copies of all insurance policies shall be delivered to and held by Beneficiary. All such policies (except policies for worker's compensation) shall name Beneficiary as an additional named insured, shall provide for loss payable to Beneficiary and shall contain (or have attached): (i) standard "non-contributory Beneficiary" endorsement or its equivalent relating, inter alia, to recovery by Beneficiary notwithstanding the negligent or willful acts or omissions of Trustor; (ii) a waiver of subrogation endorsement as to Beneficiary; (iii) an endorsement indicating that neither Beneficiary nor Trustor shall be or be deemed to be a co-insurer with respect to any casualty risk insured by such policies and shall provide for a deductible per loss of an amount not more than that which is customarily maintained by owners of similar properties similarly situated, and (iv) a provision that such policies shall not be canceled, terminated, denied renewal or amended, including, without limitation, any amendment reducing the scope or limits of coverage, without at least thirty (30) days' prior written notice to Beneficiary in each instance. Not less than twenty (20) 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 reasonable evidence of such payment (which premiums shall not be paid by Trustor through or by any financing arrangement which would entitle an insurer to terminate a policy) shall be delivered by Trustor to Beneficiary. Trustor 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.

(b) If Trustor fails to maintain and deliver to Beneficiary the original policies or certificates of insurance required by this Deed of Trust, or if there are insufficient funds in the Escrow Fund (in the event Beneficiary is collecting for insurance premiums) to pay the premiums for same, Beneficiary may, at its option, procure such insurance, and Trustor shall pay, or as the case may be, reimburse Beneficiary for, all premiums thereon promptly, upon demand by Beneficiary, with interest thereon at the Default Rate from the date paid by Beneficiary to the date of repayment and such sum shall constitute a part of the Debt.

(c) In the event that Beneficiary is then collecting for insurance premiums under Section 5.01 below, Trustor shall notify Beneficiary of the renewal premium of each insurance policy and provided there exists no Default or Event of Default hereunder Beneficiary shall pay such amount on behalf of Trustor to the extent of available funds in the Escrow Fund. With respect to insurance policies which require periodic payments (i.e., monthly or quarterly) of premiums, and provided that Beneficiary is then collecting for insurance premiums under Section 5.01 below, Beneficiary shall pay such amounts to the extent of available funds in the Escrow Funds, provided there exists no Default or Event of Default hereunder, fifteen (15) days (or such lesser number of days as Beneficiary shall determine) prior to the respective due dates of such installments. In the event that Beneficiary is not collecting for insurance premiums under Section 5.01 below or in the event that Beneficiary is not obligated to disburse portions of the Escrow Fund to pay any such premium, Trustor shall pay the premiums therefor and not less than twenty (20) days prior to the expiration dates of the insurance policies required by 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 reasonable evidence of such payment (which premiums shall not be paid by Trustor through or by any financing arrangement which would entitle an insurer to terminate a policy) shall be delivered by Trustor to Beneficiary.

(d) The insurance required by this Deed of Trust may, at the option of Trustor, be effected by blanket and/or umbrella policies issued to Trustor covering the Trust Property provided that, in each case, the policies otherwise comply with the provisions of this Deed of Trust and allocate to the Trust Property, from time to time (but in no event less than once a year), 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, Trustor shall furnish to Beneficiary original policies or certified copies thereof, or an original certificate of insurance together with reasonable access to the original of such policy to review such policy's coverage of the Trust Property, with schedules attached thereto showing the amount of the insurance provided under such policies applicable to the Trust Property.

Section 3.03. Assignment of Policies. (a) Trustor hereby assigns to Beneficiary the proceeds of all insurance (other than worker's compensation and liability insurance) obtained pursuant to this Deed of Trust, or otherwise maintained by Trustor with respect to the Trust Property or any portion thereof, all of which proceeds shall be payable to Beneficiary as collateral and further security for the payment of the Debt and Trustor hereby authorizes and directs the issuer of any such insurance to make payment of such proceeds directly to Beneficiary. Except as otherwise expressly provided in Section 3.04 or elsewhere in this Article III, Beneficiary 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 in such manner as Beneficiary 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 Beneficiary, in its discretion, may elect provided, however, that so long as no Default or Event of Default exists hereunder, Beneficiary shall apply such proceeds first to the Direct Obligations until paid in full and second to the Cross-Collateralized Obligations, (ii) the repair or restoration of the Trust Property, (iii) the cure of any Default or Event of Default or (iv) the reimbursement of the costs and expenses of Beneficiary incurred pursuant to the terms hereof in connection with the recovery of the Insurance Proceeds. Nothing herein contained shall be deemed to excuse Trustor from repairing or maintaining the Trust Property as provided in this Deed of Trust or, except as provided in Section 3.04 below, restoring all damage or destruction to the Trust Property, regardless of the sufficiency of the Insurance Proceeds, and the application or release by Beneficiary of any Insurance Proceeds shall not cure or waive any Default or Event of Default or notice of Default or Event of Default.

(b) In the event of the foreclosure of this Deed of Trust or any other transfer of title or assignment of all or any part of the Trust Property in extinguishment, in whole or in part, of the Debt, all right, title and interest of Trustor in and to all policies of insurance required by this Deed of Trust shall inure to the benefit of the successor in interest to Trustor or the purchaser of the Trust Property. If, prior to the receipt by Beneficiary of any proceeds, the Trust Property or any portion thereof shall have been sold on foreclosure of this Deed of Trust or by deed in lieu thereof or otherwise, or any claim under such insurance policy arising during the term of this Deed of Trust is not paid until after the extinguishment of the Debt, and Beneficiary shall not have received the entire amount of the Debt outstanding at the time of such extinguishment, whether or not a deficiency judgment on this Deed of Trust shall have been sought or recovered or denied, then, the proceeds of any such insurance to the extent of the amount of the Debt not so received, shall be paid to and be the property of Beneficiary, together with interest thereon at the Default Rate, and the reasonable attorney's fees, costs and disbursements incurred by Beneficiary in connection with the collection of the proceeds which shall be paid to Beneficiary and Trustor hereby assigns, transfers and sets over to Beneficiary all of Trustor's right, title and interest in and to such proceeds. Notwithstanding any provisions of this Deed of Trust to the contrary, Beneficiary 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 Beneficiary; provided, however, that Beneficiary shall use such proceeds for the purposes and in the manner permitted by this Deed of Trust. Any proceeds deposited with Beneficiary shall be held by

Beneficiary in an interest-bearing account, but Beneficiary 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 3.03(b) shall survive the termination of this Deed of Trust by foreclosure, deed in lieu thereof or otherwise as consequence of the exercise of the rights and remedies of Beneficiary hereunder after an Event of Default.

Section 3.04. Casualty Restoration. (a) (i) In the event of any damage to or destruction of the Trust Property, Trustor shall give prompt written notice to Beneficiary (which notice shall set forth Trustor's good faith estimate of the cost of repairing or restoring such damage or destruction, or if Trustor cannot reasonably estimate the anticipated cost of restoration, Trustor shall nonetheless give Beneficiary prompt notice of the occurrence of such damage or destruction, and will diligently proceed to obtain estimates to enable Trustor to quantify the anticipated cost and time required for such restoration, whereupon Trustor shall promptly notify Beneficiary of such good faith estimate) and, provided that restoration does not violate any Legal Requirements, Trustor shall, provided and to the extent insurance proceeds are made available to Trustor for restoration, promptly commence and diligently prosecute to completion the repair, restoration or rebuilding of the Trust Property so damaged or destroyed to a condition such that the Trust Property shall be at least equal in value to that immediately prior to the damage to the extent practicable, in full compliance with all Legal Requirements and the provisions of all Leases, and in accordance with Section 3.04(b) below. Such repair, restoration or rebuilding of the Trust Property are sometimes hereinafter collectively referred to as the "Work".

(ii) Trustor shall not adjust, compromise or settle any claim for Insurance Proceeds without the prior written consent of Beneficiary, which shall not be unreasonably withheld or delayed; provided, however, that, except during the continuance of an Event of Default, Beneficiary'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 \$100,000.

(iii) Subject to Section 3.04(a)(iv), Beneficiary shall apply any Insurance Proceeds which it may receive towards the Work in accordance with Section 3.04(b) and the other applicable sections of this Article III.

(iv) If (A) an Event of Default shall have occurred and be continuing, (B) Beneficiary is not reasonably satisfied that the Debt Service Coverage, after substantial completion of the Work, will be at least equal to the Required Debt Service Coverage, (C) more than fifty percent (50%) of the reasonably estimated aggregate insurable value of the Trust Property is damaged or destroyed, (D) Beneficiary is not reasonably satisfied that the Work can be completed six (6) months prior to Maturity or (E) Beneficiary is not reasonably satisfied that the Work can be completed within twelve (12) months of the damage to or destruction of the

Trust Property (collectively, a “Substantial Casualty”), Beneficiary shall have the option, in its sole discretion to apply any Insurance Proceeds it may receive pursuant to this Deed of Trust (less any reasonable out-of-pocket cost to Beneficiary of recovering and paying out such proceeds incurred pursuant to the terms hereof and not otherwise reimbursed to Beneficiary, including, without limitation, reasonable attorneys' fees and expenses) to the payment of the Direct Obligations with any balance being applied to the Cross-Collateralized Obligations, or to allow such proceeds to be used for the Work pursuant to the terms and subject to the conditions of Section 3.04(b) hereof and the other applicable sections of this Article III. Notwithstanding anything herein to the contrary, in the event any portion of such Insurance Proceeds are applied at Beneficiary’s direction (as opposed to at Trustor’s election) to any portion of the Debt, no Deferred Loan Fee will be due and payable with respect to the principal amount of the Debt so prepaid.

(v) In the event that Beneficiary elects or is obligated hereunder to allow Insurance Proceeds to be used for the Work, any excess proceeds remaining after completion of such Work shall be applied to the payment of the Direct Obligations with any balance being applied to the Cross-Collateralized Obligations without any prepayment fee or charge of any kind including, without limitation, any Deferred Loan Fee.

(b) If any Condemnation Proceeds, in accordance with Section 6.01(a) or any Insurance Proceeds in accordance with Section 3.04(a), are to be applied to the repair, restoration or rebuilding of the Trust Property, then such proceeds shall be deposited into a segregated interest bearing account held by Beneficiary and shall be paid out from time to time to Trustor as the Work progresses (less any reasonable out-of-pocket cost to Beneficiary of recovering and paying out such proceeds, including, without limitation, reasonable attorneys' fees and costs of outside counsel retained by Beneficiary and/or any servicer as well as any reasonable out-of-pocket cost incurred by Beneficiary inspecting the Work and the plans and specifications therefor) subject to all of the following conditions:

(i) An architect or engineer or other Person reasonably acceptable to Beneficiary selected by Trustor and reasonably acceptable to Beneficiary (an “Architect” or “Engineer”) or a Person otherwise reasonably acceptable to Beneficiary, shall have delivered to Beneficiary a certificate estimating the cost of completing the Work, and, if the amount set forth therein is more than the sum of the amount of Insurance Proceeds then being held by Beneficiary in connection with a casualty and amounts agreed to be paid as part of a final settlement under the insurance policy upon or before completion of the Work, (plus any deductible in an amount not to exceed \$10,000) Trustor shall have delivered to Beneficiary (A) cash collateral in an amount equal to such excess, (B) an unconditional, irrevocable, clean sight draft letter of credit, in form, substance and issued by a bank reasonably acceptable to Beneficiary, in the amount of such excess and draws on such letter of credit shall be made by Beneficiary to make payments pursuant to this Article III following exhaustion of the Insurance Proceeds therefore or (C) a completion bond in form, substance and issued by a surety company reasonably acceptable to Beneficiary.

(ii) If the cost of the Work is reasonably estimated by an Architect or Engineer in a certification reasonably acceptable to Beneficiary to be equal to or exceed \$100,000, such Work shall be performed under the supervision of an Architect or Engineer, it being understood that the plans and specifications with respect thereto shall be reasonably satisfactory to Beneficiary and provide for Work so that, upon completion thereof, the Trust Property shall be at least equal in replacement value and general utility to the Trust Property prior to the damage or destruction.

(iii) Each request for payment shall be made on not less than ten (10) days' prior notice to Beneficiary and shall be accompanied by a certificate of an Architect or Engineer, or, if the Work is not required to be supervised by an Architect or Engineer or other Person reasonably acceptable to Beneficiary, by an Officer's Certificate stating (A) that payment is for Work completed in compliance with the plans and specifications, if required under clause (ii) above, (B) that the sum requested is required to reimburse Trustor for payments by Trustor to date, or is due to the contractor, subcontractors, materialmen, laborers, engineers, architects or other Persons rendering services or materials for the Work (giving a brief description of such services and materials), and that when added to all sums previously paid out by Beneficiary does not exceed the value of the Work done to the date of such certificate, (C) if the sum requested is to cover payment relating to repair and restoration of personal property required or relating to the Trust Property, that title to the personal property items covered by the request for payment is vested in Trustor (unless Trustor is lessee of such personal property), and (D) that the Insurance Proceeds and other amounts deposited by Trustor held by Beneficiary after such payment is more than the estimated remaining cost to complete such Work; provided, however, that if such certificate is given by an Architect or Engineer or other Person reasonably acceptable to Beneficiary, such Architect or Engineer or other Person reasonably acceptable to Beneficiary shall certify as to clause (A) above, and such Officer's Certificate shall certify as to the remaining clauses above, and provided, further, that Beneficiary shall not be obligated to disburse such funds if Beneficiary determines, in Beneficiary's reasonable discretion, that Trustor shall not be in compliance with this Section 3.04(b). Additionally, each request for payment shall contain a statement signed by Trustor stating that the requested payment is for Work satisfactorily done to date and that no Event of Default then exists.

(iv) Each request for payment shall be accompanied by waivers of lien, in customary form and substance, covering that part of the Work for which payment or reimbursement is being requested and, if required by Beneficiary, a search prepared by a title company or licensed abstractor, or by other evidence satisfactory to Beneficiary that there has not been filed with respect to the Trust Property any mechanic's or other lien or instrument for retention of title relating to any part of the Work not discharged of record. Additionally, as to any personal property covered by the request for payment, Beneficiary shall be furnished with evidence of having incurred a payment obligation therefor and such further evidence reasonably satisfactory to assure Beneficiary that UCC filings therefor provide a valid first lien on the personal property to the extent that such personal property is owned by Trustor and not leased.

(v) Beneficiary shall have the right to inspect the Work at all reasonable times upon reasonable prior notice and may condition any disbursement of Insurance Proceeds upon satisfactory compliance by Trustor with the provisions hereof. Neither the approval by Beneficiary of any required plans and specifications for the Work nor the inspection by Beneficiary of the Work shall make Beneficiary responsible for the preparation of such plans and specifications, or the compliance of such plans and specifications of the Work, with any applicable law, regulation, ordinance, covenant or agreement.

(vi) Insurance Proceeds shall not be disbursed more frequently than once every thirty (30) days.

(vii) Until such time as the Work has been substantially completed, Beneficiary shall not be obligated to disburse up to ten percent (10%) of the cost of the Work (the "Retention Amount") to Trustor. Upon substantial completion of the Work, Trustor shall send notice thereof to Beneficiary and, subject to the conditions of Section 3.04(b)(i)-(iv), Beneficiary shall disburse one-half of the Retention Amount to Trustor; provided, however, that the remaining one-half of the Retention Amount shall be disbursed to Trustor when Beneficiary shall have received copies of any and all final certificates of occupancy or other certificates, licenses and permits required for the ownership, occupancy and operation of the Trust Property in accordance with all Legal Requirements. Trustor hereby covenants to diligently seek to obtain any such certificates, licenses and permits.

(viii) Upon failure on the part of Trustor promptly to commence the Work or to proceed diligently and continuously to completion of the Work, which failure shall continue after notice for thirty (30) days or upon the occurrence of an Event of Default, Beneficiary may apply any or all Insurance Proceeds or Condemnation Proceeds it then or thereafter holds to the payment of the Direct Obligations with any balance being applied to the Cross-Collateralized Obligations in accordance with the provisions of the Note; provided, however, that Beneficiary shall be entitled to apply at any time all or any portion of the Insurance Proceeds or Condemnation Proceeds it then holds to the extent necessary to cure any Event of Default then existing under this Deed of Trust, the Note or any other Loan Document.

(c) If Trustor (i) within one hundred twenty (120) days after the occurrence of any damage to the Trust Property or any portion thereof (or such shorter period as may be required under any Major Space Lease) shall fail to submit to Beneficiary for approval plans and specifications (if required pursuant to Section 3.04(b)(ii) hereof) for the Work (approved by the Architect and by all Governmental Authorities whose approval is required), (ii) after any such plans and specifications are approved by all Governmental Authorities, the Architect and Beneficiary, shall fail to promptly commence such Work or (iii) shall fail to diligently prosecute such Work to completion, then, in addition to all other rights available hereunder, at law or in equity, Beneficiary, or any receiver of the Trust Property or any portion thereof, upon ten (10) days' prior notice to Trustor (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 Work,

and may take such other steps as it reasonably deems advisable. Trustor hereby waives, for Trustor, any claim, other than for gross negligence or willful misconduct, against Beneficiary and any receiver arising out of any act or omission of Beneficiary or such receiver pursuant hereto, and Beneficiary may apply all or any portion of the proceeds of insurance (without the need to fulfill any other requirements of this Section 3.04) to reimburse Beneficiary and such receiver, for all reasonable costs not reimbursed to Beneficiary 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 Beneficiary or the receiver.

(d) Trustor hereby irrevocably appoints Beneficiary as its attorney-in-fact, coupled with an interest, to collect and receive any insurance proceeds paid with respect to any portion of the Trust 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.

Section 3.05. Compliance with Insurance Requirements. Trustor promptly shall comply with, and shall cause the Trust 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 Trust Property or any portion thereof provided Trustor shall have a right to contest in good faith and with diligence such Insurance Requirements provided (a) no Event of Default shall exist during such contest and such contest shall not subject the Trust Property or any portion thereof to any lien or affect the priority of the lien of this Deed of Trust, (b) failure to comply with such Insurance Requirements will not subject Beneficiary, Deed Trustee or any of their agents, employees, officers or directors to any civil or criminal liability, (c) such contest will not cause any reduction in insurance coverage, (d) such contest shall not affect the ownership, use or occupancy of the Trust Property, (e) the Trust Property or any part thereof or any interest therein shall not be in any danger of being sold, forfeited or lost by reason of such contest by Trustor, (f) Trustor has given Beneficiary prompt notice of such contest and, upon request by Beneficiary from time to time, notice of the status of such contest by Trustor and/or information of the continuing satisfaction of the conditions set forth in clauses (a) through (e) of this Section 3.05, (g) upon a final determination of such contest, Trustor shall promptly comply with the requirements thereof, and (h) prior to and during such contest, Trustor shall furnish to Beneficiary security satisfactory to Beneficiary, in its reasonable discretion, against loss or injury by reason of such contest or the non-compliance with such Insurance Requirement (and if such security is cash, Beneficiary shall deposit the same in an interest bearing 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 Beneficiary (i) 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 (ii) 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 Beneficiary). If Trustor shall use the Trust Property or any portion thereof in any manner which could permit the insurer to cancel any insurance required to be provided hereunder, Trustor immediately shall obtain a substitute policy which shall satisfy the

requirements of this Deed of Trust and which shall be effective on or prior to the date on which any such other insurance policy shall be canceled. Trustor shall not by any action or omission invalidate any insurance policy required to be carried hereunder unless such policy is replaced as aforesaid, or materially increase the premiums on any such policy above the normal premium charged for such policy. Trustor shall cooperate with Beneficiary in obtaining for Beneficiary the benefits of any insurance proceeds lawfully or equitably payable to Beneficiary in connection with the transaction contemplated hereby.

Section 3.06. Event of Default During Restoration. Notwithstanding anything to the contrary contained in this Deed of Trust including, without limitation, the provisions of this Article 3, if, at the time of any casualty affecting the Trust Property or any part thereof, or at any time during any Work, or at any time that Beneficiary is holding or is entitled to receive any proceeds of any insurance pursuant to this Deed of Trust, an Event of Default exists and is continuing, Beneficiary shall then have no obligation to make such proceeds available for Work and Beneficiary shall have the right and option, to be exercised in its sole and absolute discretion and election, with respect to the proceeds of any such insurance, either to retain and apply such proceeds in reimbursement for the actual costs, fees and expenses incurred by Beneficiary in accordance with the terms hereof in connection with the adjustment of the loss and any balance toward payment of the Debt in such priority and proportions as Beneficiary, in its sole discretion, shall deem proper, or towards the Work, upon such terms and conditions as Beneficiary shall determine, or to cure such Event of Default, or to any one or more of the foregoing as Beneficiary, in its sole and absolute discretion, may determine. If Beneficiary shall receive and retain such Insurance Proceeds, the lien of this Deed of Trust shall be reduced only by the amount thereof received, after reimbursement to Beneficiary of reasonable expenses of collection, and actually applied by Beneficiary in reduction of the principal sum payable under the Note in accordance with the Note.

Section 3.07. Application of Proceeds to Debt Reduction. (a) No damage to the Trust Property, or any part thereof, by fire or other casualty whatsoever, whether such damage be partial or total, shall relieve Trustor from its liability to pay in full the Debt and to perform its obligations under this Deed of Trust and the other Loan Documents except to the extent any rent (business interruption) insurance is paid to Beneficiary and applied to the Debt.

(b) If any Insurance Proceeds are applied to reduce the Debt, Beneficiary shall apply the same in accordance with the provisions of the Note.

ARTICLE IV: IMPOSITIONS

Section 4.01. Payment of Impositions, Utilities and Taxes, etc. (a) Trustor 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 Beneficiary, upon request, receipted bills of the appropriate taxing authority or other documentation reasonably satisfactory to Beneficiary evidencing the payment thereof. If Trustor shall fail to pay any Imposition in

accordance with this Section and is not contesting or causing a contesting of such Imposition in accordance with Section 4.04 hereof, or if there are insufficient funds in the Escrow Fund to pay any Imposition, Beneficiary shall have the right, but shall not be obligated, to pay that Imposition, and Trustor shall repay to Beneficiary, on demand, any amount actually paid by Beneficiary, 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 and the Other Deeds of Trust. Notwithstanding the foregoing, provided no Default or Event of Default has occurred and is continuing, Beneficiary shall pay (or release funds to Trustor for payment) all Impositions, solely to the extent of available funds in the Escrow Fund.

(b) Trustor 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 charges for electricity, power, gas, water and other services and utilities in connection with the Trust Property, and shall, upon request, deliver to Beneficiary receipts or other documentation reasonably satisfactory to Beneficiary evidencing payment thereof. If Trustor shall fail to pay any amount required to be paid by Trustor pursuant to this Section 4.01 and is not contesting such charges in accordance with Section 4.04 hereof, Beneficiary shall have the right, but shall not be obligated, to pay that amount, and Trustor will repay to Beneficiary, on demand, any amount actually paid by Beneficiary 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 and the Other Deeds of Trust.

(c) Trustor shall pay all taxes, charges, filing, registration and recording fees, excises and levies imposed upon Beneficiary by reason of or in connection with its ownership of any Loan 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 Beneficiary and shall pay all corporate stamp taxes, if any, and other taxes, required to be paid on the Loan Documents. If Trustor shall fail to make any such payment within ten (10) days after written notice thereof from Beneficiary, Beneficiary shall have the right, but shall not be obligated, to pay the amount due, and Trustor shall reimburse Beneficiary therefor, on demand, 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 and the Other Deeds of Trust.

Section 4.02. 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 Trust Property for the purpose of taxation, 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 operation of any such taxes so as to adversely affect the interest of Beneficiary, or impose any tax or other charge on any Loan Document, then Trustor will pay such tax, with interest and penalties thereon, if any, within the statutory period. In the event the payment of such tax or interest and penalties by Trustor would be unlawful, or taxable to Beneficiary or unenforceable or provide the basis for a defense of usury, then in any such event,

Beneficiary shall have the option, by written notice of not less than thirty (30) days, to declare the Debt immediately due and payable.

Section 4.03. No Joint Assessment. Trustor shall not consent to or initiate the joint assessment of the Premises or the Improvements (a) with any other real property constituting a separate tax lot and Trustor represents and covenants that the Premises and the Improvements are and shall remain a separate tax lot(s) or (b) with any portion of the Trust 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 Trust Property as a single lien.

Section 4.04. Right to Contest. Trustor shall have the right, after prior notice to Beneficiary, at its sole expense, to contest by appropriate legal proceedings diligently conducted in good faith, without cost or expense to Beneficiary or any of its agents, employees, officers or directors, the validity, amount or application of any Imposition or any charge described in Section 4.01(b), provided that (a) no Event of Default shall exist during such proceedings and such contest shall not (unless Trustor shall comply with clause (d) of this Section 4.04) subject the Trust Property or any portion thereof to any lien or affect the priority of the lien of this Deed of Trust, (b) failure to pay such Imposition or charge will not subject Beneficiary, Deed Trustee or any of their agents, employees, officers or directors to any civil or criminal liability, (c) the contest suspends enforcement of the Imposition or charge (unless Trustor first pays the Imposition or charge), (d) prior to and during such contest, Trustor shall furnish to Beneficiary security satisfactory to Beneficiary, in its reasonable discretion, against loss or injury by reason of such contest or the nonpayment of such Imposition or charge (and if such security is cash, Beneficiary may deposit the same in an interest-bearing 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 Beneficiary (i) 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 (ii) 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 Beneficiary), (e) such contest shall not affect the ownership, use or occupancy of the Trust Property, (f) the Trust Property or any part thereof or any interest therein shall not be in any danger of being sold, forfeited or lost by reason of such contest by Trustor, (g) Trustor has given Beneficiary notice of the commencement of such contest and upon request by Beneficiary, from time to time, notice of the status of such contest by Trustor and/or confirmation of the continuing satisfaction of clauses (a) through (f) of this Section 4.04, and (h) upon a final determination of such contest, Trustor shall promptly comply with the requirements thereof. Upon completion of any contest, Trustor shall immediately pay the amount due, if any, and deliver to Beneficiary proof of the completion of the contest and payment of the amount due, if any, following which, Beneficiary shall return the security, if any, deposited with Beneficiary pursuant to clause (d) of this Section 4.04. Trustor shall not pay any Imposition in installments unless permitted by applicable Legal Requirements, and shall, upon the request of Beneficiary, deliver copies of all notices relating to any Imposition or other charge covered by this Article IV to Beneficiary.

Section 4.05. No Credits on Account of the Debt. Trustor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Impositions assessed against the Trust Property or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of the Trust Property, or any part thereof, by reason of this Deed of Trust or the Debt. In the event such claim, credit or deduction shall be required by Legal Requirements, Beneficiary shall have the option, by written notice of not less than thirty (30) days, to declare the Debt immediately due and payable, and Trustor hereby agrees to pay such amounts not later than thirty (30) days after such notice.

Section 4.06. Documentary Stamps. If, at any time, the United States of America, any State or Commonwealth thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note or this Deed of Trust, or impose any other tax or charges on the same, Trustor will pay the same, with interest and penalties thereon, if any.

ARTICLE V: DEPOSITS

Section 5.01. Escrow Fund. Trustor shall pay to Beneficiary on each Payment Date (a) one-twelfth of an amount which would be sufficient to pay the Impositions payable, or estimated by Beneficiary to be payable, during the next ensuing twelve (12) months and (b) at Beneficiary's election following an Event of Default hereunder, one-twelfth of an amount which would be sufficient to pay the insurance premiums due for the renewal of the coverage afforded by the insurance required to be carried hereunder upon the expiration thereof (said amounts in (a) and (b) above hereinafter called the "Escrow Fund"). Trustor hereby pledges to Beneficiary and grants to Beneficiary a security interest in any and all monies now or hereafter deposited in the Escrow Fund as well as any earnings thereon as additional security for the payment of the Debt. Beneficiary will apply the Escrow Fund to payments of Impositions and insurance premiums required to be made by Trustor pursuant to Articles III and IV hereof. If the amount of the Escrow Fund shall exceed the amounts due for Impositions and insurance premiums (in the event Beneficiary is collecting therefor) pursuant to Articles III and IV hereof, Beneficiary shall, in its sole discretion, return any excess to Trustor or credit such excess against future payments to be made to the Escrow Fund and provided no Default or Event of Default has occurred and is continuing, any excess amounts in the Escrow Fund at Maturity shall be either applied to the Debt or returned to Trustor, at Beneficiary's election. In allocating such excess, Beneficiary may deal with the Person shown on the records of Beneficiary to be the owner of the Trust Property. If the Escrow Fund is not sufficient to pay the items set forth in (a) and (b) above (in the event Beneficiary is collecting therefor), Trustor shall promptly pay to Beneficiary, upon demand, an amount which Beneficiary shall reasonably estimate as sufficient to make up the deficiency. Upon the occurrence and during the continuation of an Event of Default, Beneficiary may apply any sums then present in the Escrow Fund, including, without limitation, any interest income, to the payment of the following items, in any order, in its sole discretion:

- (a) Impositions and other charges;

- (b) insurance premiums;
- (c) interest on the unpaid principal balance of the Note;
- (d) prepayments of the unpaid principal balance of the Note; and
- (e) all other sums payable pursuant to the Note, this Deed of Trust and the other Loan Documents including, without limitation, advances made by Beneficiary pursuant to the terms of this Deed of Trust.

Until expended or applied as above provided, any amounts in the Escrow Fund shall constitute additional security for the Debt. The Escrow Fund shall be an interest bearing account but shall not constitute a trust fund and may be commingled with other monies held by Beneficiary. Interest on the Escrow Fund shall be payable to Trustor but Trustor acknowledges that Beneficiary makes no representation or warranty as to the rate of return. Trustor shall be responsible for the payment of all taxes due on such earnings or interest. A service charge of one quarter of one percent (.25%) per annum of the amount on deposit in the Escrow Fund shall be due and payable by Trustor upon demand and may be deducted from amounts on deposit in the Escrow Fund.

Section 5.02. Excess Rents Account. So long as there exists no Event of Default hereunder, Trustor shall have the right to collect Rents for up to one (1) year in advance. In the event Trustor collects any Rents more than one (1) month in advance of the date on which such Rents become due ("Additional Prepaid Rents"), Trustor shall have the right to retain that portion of such Additional Prepaid Rents (the "Trustor Threshold Amount"), which, when added to the aggregate amount of Additional Prepaid Rents retained at the time of determination by the Other Borrowers pursuant to the Other Deeds of Trust, does not exceed two percent (2%) of the aggregate gross annual rents payable with respect to the Trust Property and the Other Properties for the then current calendar year based upon the then current monthly rent rolls for the Trust Property and the Other Properties (the "Aggregate Threshold Amount"), and any amount collected in excess of the Trustor Threshold Amount, whether in cash or by means of a credit received by Trustor in connection with the acquisition of the Trust Property, shall be deposited by Trustor into an account maintained by Beneficiary (the "Excess Rents Account") within one Business Day following receipt thereof by Trustor. Trustor hereby pledges to Beneficiary and grants a continuing first lien security interest to Beneficiary in and to any and all monies now or hereafter deposited in the Excess Rents Account as well as any earnings thereon and proceeds thereof as additional security for the payment of the Debt and the performance of all of the Trustor's other obligations under the Loan Documents. The Excess Rents Account shall be an interest bearing account but shall not constitute a trust fund and may be commingled with other monies held by Beneficiary. Interest on the Excess Rents Account shall be payable to Trustor but Trustor acknowledges that Beneficiary makes no representation or warranty as to the rate of return. Trustor shall be responsible for the payment of all taxes due on such earnings or interest. Trustor shall have the right, no more than once each calendar quarter during the term of the

Loan, and provided there exists no Default or Event of Default at the time of such request or at the time the funds, if any, are to be disbursed by Beneficiary, to request a withdrawal from the Excess Rents Account in an amount which, following such withdrawal, results in an aggregate amount on deposit in the Excess Rents Account and the Excess Rents Accounts maintained with respect to each of the Other Borrowers under the Other Deeds of Trust of not less than the excess of (i) the aggregate of all Additional Prepaid Rents of the Trustor and each of the Other Borrowers as of the date of determination by Beneficiary over (ii) the Aggregate Threshold Amount as of such date, but in no event to exceed the then balance of the Excess Rents Account maintained by Trustor. Notwithstanding the foregoing, should an Event of Default occur, in addition to any other remedies provided to Beneficiary herein and in the other Loan Documents, Beneficiary shall have the immediate right without notice to apply any or all of the moneys or proceeds on deposit in the Excess Rents Account to the payment of the Debt or as Beneficiary in its sole discretion may determine; provided, however, that no such application shall be deemed to have been made by operation of law or otherwise until actually made by Beneficiary as herein provided. Except as expressly set forth above, Trustor shall have no right to request the disbursement of any funds held in the Excess Rents Account. Trustor shall execute any and all documents required by Beneficiary in order to perfect and maintain the first lien security interest granted to Beneficiary in the Excess Rents Account, or otherwise in connection therewith.

ARTICLE VI: CONDEMNATION

Section 6.01. Condemnation. (a) Trustor shall notify Beneficiary promptly of the commencement or threat of any Taking of the Trust Property or any portion thereof. Beneficiary is hereby irrevocably appointed as Trustor'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 (subject to Trustor's reasonable approval, except after the occurrence and during the continuation of an Event of Default, in which event Trustor's approval shall not be required), subject to the provisions of this Deed of Trust; provided, however, that Trustor 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 \$100,000. Trustor shall execute and deliver to Beneficiary any and all instruments reasonably required in connection with any such proceeding promptly after request therefor by Beneficiary. Except as set forth above, Trustor shall not adjust, compromise, settle or enter into any agreement with respect to such proceedings without the prior consent of Beneficiary, which shall not be unreasonably withheld. All Condemnation Proceeds are hereby assigned to and shall be paid to Beneficiary. With respect to Condemnation Proceeds in an amount in excess of \$100,000, Trustor hereby authorizes Beneficiary to compromise, settle, collect and receive such Condemnation Proceeds, and to give proper receipts and acquittance therefor. Beneficiary shall have the option, in Beneficiary's sole discretion, to apply such Condemnation Proceeds (less any cost to Beneficiary of recovering and paying out such proceeds, including, without limitation, reasonable attorneys' fees and disbursements and

costs allocable to inspecting any repair, restoration or rebuilding work and the plans and specifications therefor) toward the payment of the Debt or to allow such proceeds to be used for the Work. In the event Beneficiary elects to make Condemnation Proceeds available to be used toward the restoration or rebuilding of the Trust Property to a usable whole, such Condemnation Proceeds shall be disbursed in the manner and subject to the conditions set forth in Section 3.04(b). Any excess proceeds remaining after completion of such restoration or rebuilding shall be applied to the repayment of the Debt. If the Condemnation Proceeds are used to reduce the Debt, they shall be applied in accordance with the provisions of the Note with no prepayment penalty whatsoever, including, without limitation, any Deferred Loan Fee. Trustor shall promptly execute and deliver all instruments requested by Beneficiary for the purpose of confirming the assignment of the Condemnation Proceeds to Beneficiary.

(b) Application of all or any part of the Condemnation Proceeds to the Debt shall be made in accordance with the provisions of Sections 3.06 and 3.07. No application of the Condemnation Proceeds to the reduction of the Debt shall have the effect of releasing the lien of this Deed of Trust until the remainder of the Debt has been paid in full. In the case of any Taking, Beneficiary, to the extent that Beneficiary has not been reimbursed by Trustor, shall be entitled, as a first priority out of any Condemnation Proceeds, to reimbursement for all actual costs, fees and expenses reasonably incurred in the determination and collection of any Condemnation Proceeds. All Condemnation Proceeds deposited with Beneficiary pursuant to this Section, until expended or applied as provided herein, may be commingled with the general funds of Beneficiary and shall constitute additional security for the payment of the Debt and the payment and performance of Trustor's obligations, but Beneficiary shall not be deemed a trustee or other fiduciary with respect to its receipt of such Condemnation Proceeds or any part thereof. For purposes hereof, any reference to the award shall be deemed to include interest, if any, which has accrued thereon.

ARTICLE VII: LEASES AND RENTS

Section 7.01. Assignment. (a) Trustor does hereby bargain, sell, assign and set over unto Beneficiary, all of Trustor's interest in the Leases and Rents. The assignment of Leases and Rents in this Section 7.01 is an absolute, unconditional and present assignment from Trustor to Beneficiary and not an assignment for security and the existence or exercise of Trustor's revocable license to collect Rent shall not operate to subordinate this assignment to any subsequent assignment. The exercise by Beneficiary of any of its rights or remedies pursuant to this Section 7.01 shall not be deemed to make Beneficiary a mortgagee-in possession. In addition to the provisions of this Article VII, Trustor shall comply with all terms, provisions and conditions of the Assignment.

(b) So long as there shall exist and be continuing no Event of Default, Trustor shall have a revocable license to take all actions with respect to all Leases and Rents, present and future, including the right to collect and use the Rents, subject to the terms of this Deed of Trust and the Assignment.

(c) In a separate instrument Trustor shall, as requested from time to time by Beneficiary, assign to Beneficiary or its nominee by specific or general assignment, any and all Leases, such assignments to be in form and content reasonably acceptable to Beneficiary, but subject to the provisions of Section 7.01(b) hereof. Trustor agrees to deliver to Beneficiary, within thirty (30) days after Beneficiary's request, a true and complete copy of every Lease and, within ten (10) days after Beneficiary's request, a Rent Roll conforming to the requirements of Section 2.05(o).

(d) The rights of Beneficiary contained in this Article VII, the Assignment or any other assignment of any Lease shall not result in any obligation or liability of Beneficiary to Trustor or any lessee under a Lease or any party claiming through any such lessee.

(e) At any time after an Event of Default, the license granted hereinabove shall be deemed automatically revoked by Beneficiary, and Beneficiary or a receiver appointed in accordance with this Deed of Trust may enter upon the Trust Property, and collect, retain and apply the Rents toward payment of the Debt in such priority and proportions as Beneficiary in its sole discretion shall deem proper. In the event (i)(A) said license is revoked following the occurrence of an Event of Default, (B) thereafter, said Event of Default is cured to Beneficiary's satisfaction in Beneficiary's sole discretion, (C) there exists no further Default or Event of Default and (D) Beneficiary has not commenced foreclosure or similar proceedings with respect to this Deed of Trust or (ii) following the occurrence of an Event of Default, such Event of Default is cured as a result of a release of the Trust Property or the applicable Other Property, as the case may be, in accordance with Section 5.03 of the Loan Agreement and there exists no further Default or Event of Default, then, in either such event, but only with respect to the first Event of Default that occurs hereunder and which is cured to Beneficiary's satisfaction and does not involve the release of the Trust Property or any Other Property as contemplated by Section 5.03 of the Loan Agreement, the license previously revoked by Beneficiary shall be reinstated subject to the terms of this Deed of Trust and the Assignment. Nothing contained in the preceding sentence or elsewhere in this Deed of Trust, the Assignment or any other Loan Document shall be deemed to imply that Trustor has the right, or that Beneficiary shall permit, Trustor to cure an Event of Default except as contemplated by Section 5.03 of the Loan Agreement. In no event will Trustor have any right to have said license reinstated following any subsequent Event of Default unless such Event of Default is cured as contemplated by clause (ii) of this paragraph.

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

Section 7.02. Management of Trust Property. (a) Trustor shall manage the Trust Property or cause the Trust Property to be managed in a manner which is consistent with the Approved Manager Standard. Provided no Event of Default has occurred and is continuing, Trustor shall be free to enter into Space Leases (other than Major Space Leases which, at Beneficiary's option, shall require the prior consent of Beneficiary, which consent shall not be unreasonably withheld or delayed) without the consent of Beneficiary provided that all Space Leases (i) shall provide for rental rates comparable to then existing local market rates and terms and conditions which constitute good and prudent business practice, (ii) are consistent with prevailing market terms and conditions, (iii) shall be arms-length transactions and (iv) shall be executed on the standard form of Lease previously provided to and approved by Beneficiary. All Leases shall provide that they are subordinate to this Deed of Trust and that the lessees thereunder attorn to Beneficiary if Beneficiary so elects. Trustor shall, at Beneficiary's request, deliver copies of all Leases, amendments, modifications and renewals to Beneficiary.

(b) Trustor (i) shall observe and perform all of its material obligations under the Leases pursuant to applicable Legal Requirements and shall not do or permit to be done anything to impair the value of the Leases as security for the Debt; (ii) shall promptly, upon Beneficiary's request, send copies to Beneficiary of all notices of default which Trustor shall receive under the Leases; (iii) shall, consistent with the Approved Manager Standard, enforce all of the terms, covenants and conditions contained in the Leases to be observed or performed; (iv) shall not collect any of the Rents under the Leases more than one (1) month in advance (except that Trustor may collect in advance such security deposits as are permitted pursuant to applicable Legal Requirements and are commercially reasonable in the prevailing market and collect Rents, so long as there exists no Event of Default hereunder, for up to one (1) year in advance subject to Trustor's satisfaction of the requirements set forth in Section 5.02 above); (v) shall not execute any other assignment of lessor's interest in the Leases or the Rents except as otherwise expressly permitted pursuant to this Deed of Trust; (vi) shall not cancel or terminate any of the Leases or accept a surrender thereof in any manner inconsistent with the Approved Manager Standard; (vii) shall not convey, transfer or suffer or permit a conveyance or transfer of all or any part of the Premises or the Improvements or of any interest therein so as to effect a merger of the estates and rights of, or a termination or diminution of the obligations of, lessees thereunder; (viii) shall notify Beneficiary of any material alteration, modification or change in the terms of any guaranty of any Major Space Lease or cancellation or termination of such guaranty promptly upon effectuation of same unless altered, canceled, modified or changed in the ordinary course of business; (ix) shall, in accordance with the Approved Manager Standard, make all reasonable efforts to seek lessees for space as it becomes vacant and enter into Leases in accordance with the terms hereof; (x) shall not materially modify, alter or amend any Major Space Lease or Property Agreement with any Pad Owner without Beneficiary's consent, which consent will not be unreasonably withheld or delayed; (xi) shall notify Beneficiary promptly if any Pad Owner shall cease business operations or of the occurrence of any event of which it becomes aware affecting a Pad Owner or its property which might have any material effect on the Trust Property; (xii) shall not permit the recording of any Lease or a memorandum of any Lease without the prior written consent of Beneficiary and (xiii) shall, without limitation to any

other provision hereof, execute and deliver at the request of Beneficiary all such further assurances, confirmations and assignments in connection with the Trust Property as are required herein and as Beneficiary shall from time to time reasonably require.

(c) All security deposits of lessees, whether held in cash or any other form, shall be treated by Trustor as trust funds, but shall not be commingled with any other funds of Trustor. Any bond or other instrument which Trustor is permitted to hold in lieu of cash security deposits under applicable Legal Requirements shall be maintained in full force and effect unless replaced by cash deposits as hereinabove described, shall be issued by a Person reasonably satisfactory to Beneficiary, shall, if permitted pursuant to Legal Requirements, at Beneficiary's option, name Beneficiary as payee or beneficiary thereunder or be fully assignable to Beneficiary and shall, in all respects, comply with applicable Legal Requirements and otherwise be reasonably satisfactory to Beneficiary. Trustor shall, upon request, provide Beneficiary with evidence reasonably satisfactory to Beneficiary of Trustor's compliance with the foregoing. Following the occurrence and during the continuance of any Event of Default, Trustor shall, upon Beneficiary's request, if permitted by applicable Legal Requirements, turn over the security deposits (and any interest thereon) to Beneficiary to be held by Beneficiary in accordance with the terms of the Leases and all Legal Requirements.

(d) If (i) the aggregate Net Operating Income of the Trust Property and the Other Properties encumbered by the Other Deeds of Trust in any Fiscal Year decline by more than twenty-five percent (25%) in such Fiscal Year from the aggregate Net Operating Income of the Trust Property and the Other Properties for the Fiscal Year immediately preceding the Closing Date or (ii) an Event of Default has occurred, then, if Beneficiary determines in its reasonable discretion prior to the removal of the existing manager that a reputable independent property manager can manage the Trust Property at competitive rates more efficiently and with better results than Trustor or Trustor's Manager, Beneficiary shall have the right, upon ten (10) days prior written notice to Trustor, to appoint such reputable independent property manager selected by Beneficiary, in Beneficiary's sole discretion, to manage the Trust Property.

(e) Trustor covenants and agrees with Beneficiary that (i) the Trust Property will be managed at all times by the Manager pursuant to the management agreement approved by Beneficiary (the "Management Agreement"), (ii) after Trustor has knowledge of a fifty percent (50%) or more change in control of the ownership of the Manager, Trustor will promptly give Beneficiary notice thereof (a "Manager Control Notice") and (iii) the Management Agreement may be terminated by Beneficiary at any time for cause (including, but not limited to, Manager's gross negligence, misappropriation of funds, willful misconduct or fraud) or at any time following either (A) the occurrence of an Event of Default, or (B) the receipt of a Manager Control Notice, and a substitute managing agent shall be appointed by Trustor, subject to Beneficiary's approval, which may be given or withheld in Beneficiary's sole discretion and which may be conditioned on, inter alia, a letter from the Rating Agency confirming that any rating issued by the Rating Agency in connection with a Securitization will not, as a result of the proposed change of Manager, be downgraded from the then current ratings thereof, qualified or

withdrawn. Trustor may from time to time appoint a successor manager to manage the Trust Property with Beneficiary's prior written consent which consent shall not be unreasonably withheld or delayed, provided that, any such successor manager shall satisfy the Approved Manager Standard and shall be reasonably acceptable to Beneficiary. Trustor further covenants and agrees that Trustor shall require the Manager (or any successor managers) to maintain at all times during the term of the Loan worker's compensation insurance as required by Governmental Authorities. Any successor manager shall execute and deliver to Beneficiary a Consent and Agreement in substantially the same form as delivered by the original Manager.

ARTICLE VIII: MAINTENANCE AND REPAIR

Section 8.01. Maintenance and Repair of the Trust Property; Alterations; Replacement of Equipment. Trustor hereby covenants and agrees:

(a) Trustor shall not (i) desert or abandon the Trust Property, (ii) change the use of the Trust Property or cause or permit the use or occupancy of any part of the Trust Property to be discontinued if such discontinuance or use change would violate any zoning or other law, ordinance or regulation; (iii) consent to or seek any lowering or changing of the zoning classification, or greater zoning restriction affecting the Trust Property; or (iv) take any steps whatsoever to convert the Trust Property, or any portion thereof, to a condominium or cooperative form of ownership.

(b) Trustor shall, at its expense, (i) take good care of the Trust Property including grounds generally, and utility systems and sidewalks, roads, alleys, and curbs therein, and shall keep the same in good, safe and insurable condition and in compliance with all applicable Legal Requirements, (ii) promptly make all reasonable and necessary repairs to the Trust Property, above grade and below grade, interior and exterior, structural and nonstructural, ordinary and extraordinary, unforeseen and foreseen, and maintain the Trust Property in a manner appropriate for the facility and (iii) not commit or suffer to be committed any waste of the Trust Property or do or suffer to be done anything which will increase the risk of fire or other hazard to the Trust Property or impair the value thereof. Trustor shall keep the sidewalks, vaults, gutters and curbs comprising, or adjacent to, the Trust Property, clean and free from dirt, snow, ice, rubbish and obstructions. All repairs made by Trustor 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. To the extent any of the above obligations are obligations of tenants under Space Leases or Pad Owners or other Persons under Property Agreements, Trustor may fulfill its obligations hereunder by causing such tenants, Pad Owners or other Persons, as the case may be, to perform their obligations thereunder. As used herein, the terms "repair" and "repairs" shall be deemed to include all necessary replacements.

(c) Except as provided below in this subsection (c), Trustor shall not demolish, remove, construct, or, except as otherwise expressly provided herein, restore, or alter the Trust Property or any portion thereof; nor consent to or permit any such demolition, removal, construction, restoration, addition or alteration which would diminish the value of the Trust Property without Beneficiary's prior written consent in each instance, which consent shall not be unreasonably withheld or delayed. Beneficiary shall not withhold its consent to an expansion (the "Expansion") of the Improvements requested to be made by Trustor provided (x) there exists no Event of Default hereunder, (y) such Expansion would not in Beneficiary's reasonable determination diminish the value of the Trust Property and (z) each of the following conditions are satisfied:

(i) An Architect or Engineer or other Person selected by Trustor and having reasonable experience in the design and construction of self-storage facilities in the jurisdiction in which the Trust Property is located shall have delivered to Beneficiary an estimate of the cost of completing the Expansion, and Trustor shall have delivered to Beneficiary reasonably satisfactory evidence that Trustor has sufficient funds to complete the Expansion in accordance with the approved plans and specifications. If Beneficiary so elects, Trustor shall deliver to Beneficiary a completion bond in form, substance and issued by a surety company reasonably acceptable to Beneficiary.

(ii) If the cost of the Expansion is reasonably estimated by the Architect, Engineer or such other Person to be equal to or exceed \$100,000, such Expansion shall be performed under the supervision of an Architect or Engineer, it being understood that the plans and specifications with respect thereto shall be reasonably satisfactory to Beneficiary and provide for Expansion so that, upon completion thereof, the Trust Property shall be greater in replacement value and general utility to the Trust Property prior to the commencement thereof.

(iii) Trustor shall furnish to Beneficiary copies of all plans and specifications for Beneficiary's review as well as copies of all permits, licenses and other approvals necessary in connection with the Expansion, all of which shall be prepared or obtained, as the case may be, at Trustor's sole cost and expense. In the event Beneficiary requires any reasonable changes to the plans and specifications based upon Beneficiary's reasonable determination that the Expansion, if prosecuted and completed in accordance with the plans and specifications submitted to Beneficiary, might diminish the value of the Trust Property, Trustor shall promptly comply therewith. In the event that Beneficiary fails to approve or disapprove the plans and specifications within ten (10) days following receipt of a complete set thereof, such plans and specifications shall be deemed approved by Beneficiary. Trustor shall furnish to Beneficiary reasonably satisfactory evidence that the performance of the Expansion will not interfere in any material way with the then current operation of the Trust Property as a self-storage facility. Neither the approval by Beneficiary of any required plans and specifications for the Expansion nor the inspection by Beneficiary of the Expansion shall make Beneficiary responsible for the preparation of such plans and specifications, or the compliance of such plans and specifications or the Expansion, with any applicable law, regulation, ordinance, covenant or agreement.

(iv) Trustor shall obtain and furnish to Beneficiary prior to the commencement of the Expansion such insurance with respect thereto, including without limitation, builder's risk insurance, as Beneficiary may reasonably require, all of which shall comply with the requirements of Article III above.

(v) Trustor shall diligently prosecute and complete the Expansion lien-free, in a good and workmanlike manner and in accordance with the approved plans and specifications therefor and all applicable Legal Requirements and Insurance Requirements. The Expansion shall be performed by a bonded general contractor licensed in the jurisdiction in which the Trust Property is located and otherwise reasonably satisfactory to Beneficiary. Beneficiary shall have the right to inspect the progress of the Expansion from time to time at reasonable times upon reasonable prior notice to Trustor.

(vi) Trustor shall reimburse Beneficiary within ten (10) days following demand for all reasonable out-of-pocket costs incurred by Beneficiary in connection with its review of the plans and specifications, inspections of the Expansion and any other reasonable out-of-pocket costs incurred by Beneficiary (including the reasonable fees and expenses of any outside consultant or engineer or any outside counsel retained by Beneficiary) in connection with the Expansion. Notwithstanding the foregoing, Trustor's liability under the foregoing sentence shall be limited to \$2,500.00 for each Expansion, provided, however, that the foregoing monetary limitation on Trustor's liability shall not apply in the event that the Trustor defaults in its obligations under this subsection (c).

(vii) Upon completion of the Expansion, Trustor shall promptly furnish to Beneficiary copies of any and all final certificates of occupancy or other certificates, licenses and permits required for the ownership, occupancy and operation of the Trust Property as expanded in accordance with all Legal Requirements. Trustor hereby covenants to diligently seek to obtain any such certificates, licenses and permits.

(d) Trustor represents and warrants to Beneficiary that (i) except for the personal property of tenants stored pursuant to Space Leases, 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 Trust Property, except for the Equipment and equipment leased by Trustor for the management, operation or maintenance of the Trust Property in accordance with the Loan Documents; (ii) the Equipment and the leased equipment constitutes all of the fixtures, machinery, apparatus, tools, equipment and articles of personal property necessary to the proper operation and maintenance of the Trust Property, and (iii) all of the Equipment is free and clear of all liens, except for the lien of this Deed of Trust and the Permitted Encumbrances. All rights, title and interest of Trustor in and to all extensions, improvements, betterment, renewals, appurtenances to, the Trust Property hereafter acquired by, or released to, Trustor or constructed, assembled or placed by Trustor in the Trust Property, and all changes and substitutions of the security constituted thereby, shall be and, in each such case, without any further mortgage, conveyance, assignment or other act by

Beneficiary or Trustor, shall become subject to the lien and security interest of this Deed of Trust as fully and completely, and with the same effect, as though now owned by Trustor and specifically described in this Deed of Trust, but at any and all times Trustor shall execute and deliver to Beneficiary any documents Beneficiary may reasonably deem necessary or appropriate for the purpose of specifically subjecting the same to the lien and security interest of this Deed of Trust. Trustor 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 Trust Property. Trustor shall promptly replace any such Equipment so disposed of or removed with other Equipment of equal value and utility, free of any security interest or superior title, liens or claims; except that, if by reason of technological or other developments, replacement of the Equipment so removed or disposed of is not necessary or desirable for the proper management, operation or maintenance of the Trust Property, Trustor 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.

(e) Notwithstanding the provisions of this Deed of Trust to the contrary, Trustor shall have the right, at any time and from time to time, to remove and dispose of Equipment which may become obsolete or unfit for use or which is no longer useful in the management, operation or maintenance of the Trust Property. Trustor shall promptly replace any such Equipment so disposed of or removed with other Equipment of equal value and utility, free of any security interest or superior title, liens or claims; except that, if by reason of technological or other developments, replacement of the Equipment so removed or disposed of is not necessary or desirable for the proper management, operation or maintenance of the Trust Property, Trustor 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 granted herein.

ARTICLE IX: TRANSFER OR ENCUMBRANCE OF THE TRUST PROPERTY

Section 9.01. Other Encumbrances. Trustor shall not further encumber or permit the further encumbrance in any manner (whether by grant of a pledge, security interest or otherwise) of the Trust Property or any part thereof or interest therein, including, without limitation, of the Rents therefrom. In addition, Trustor 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 Trustor or any interest in Trustor except as expressly permitted pursuant to this Deed of Trust.

Section 9.02. No Transfer. Trustor acknowledges that Beneficiary has examined and relied on the expertise of Trustor and, if applicable, each General Partner, in owning and operating properties such as the Trust Property in agreeing to make the Loan and will continue to rely on Trustor's ownership of the Trust Property as a means of maintaining the value of the Trust Property as security for repayment of the Debt and Trustor acknowledges that Beneficiary

has a valid interest in maintaining the value of the Trust Property. Trustor shall not Transfer, nor permit the Transfer of, (a) the Trust Property or any part thereof, or any interest therein or (b) any or all of the interests in Trustor or any General Partner of Trustor, without the prior written consent of Beneficiary, which consent Beneficiary may withhold in its sole and absolute discretion, provided, however, that (x) Beneficiary shall not unreasonably withhold its consent to a Transfer of membership interests in Trustor or in any Original Member (as defined below) to a creditworthy person or entity provided that (i) Beneficiary receives at least thirty (30) days prior written notice of the proposed Transfer, (ii) after giving effect to such Transfer, the Original Members (as defined below) of Trustor shall continue to own not less than 51% of the membership interests in Trustor and the Original Members shall each continue to each be at least 51% owned by the current owners thereof, (iii) the current managing member (or the Class A Member) shall continue to be the managing member of Trustor and (iv) simultaneously with such Transfer, an identical transfer of beneficial interests in each of the Other Borrowers or the members thereof, as the case may be, shall be consummated with the same transferee and (y) notwithstanding anything herein to the contrary, the following assignments of direct or indirect interests in Trustor shall be permitted without Beneficiary's prior consent thereto so long as, at all times, each member of Trustor and any assignee or transferee of a membership interest in Trustor is an Affiliate of one of the members of Trustor as of the date of this Deed of Trust (an "Original Member") and simultaneously therewith, an identical transfer of beneficial interests in each of the Other Borrowers or the members thereof, as the case may be, shall be consummated with the same transferee: (i) an assignment of all or part of a membership interest in Trustor by an Original Member to another Original Member or to an Affiliate of an Original Member and (ii) an assignment of interests between members of Trustor or any Original Member arising out of the exercise of remedies under the operating agreement of the Trustor or the Original Member, as the case may be. Beneficiary shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon a Transfer without Beneficiary's consent. This provision shall apply to every Transfer regardless of whether voluntary or not, or whether or not Beneficiary has consented to any previous Transfer.

Section 9.03. Due on Sale. Beneficiary may declare the Debt immediately due and payable upon any Transfer or further encumbrance without Beneficiary's consent without regard to whether any impairment of its security or any increased risk of default hereunder can be demonstrated. This provision shall apply to every Transfer or further encumbrance of the Trust Property or any part thereof or interest in the Trust Property or in Trustor regardless of whether voluntary or not, or whether or not Beneficiary has consented to any previous Transfer or further encumbrance of the Trust Property or interest in Trustor.

ARTICLE X: CERTIFICATES

Section 10.01. Estoppel Certificates. (a) After request by Beneficiary, Trustor, within twenty (20) days and at its expense, will furnish Beneficiary with a statement, duly

acknowledged and certified, setting forth (i) the amount of the original principal amount of the Note, and the unpaid principal amount of the Note and the unpaid amount of the Direct Obligations, (ii) the rate of interest of the Note, (iii) the date payments of interest and/or principal were last paid, (iv) any offsets or defenses to the payment of the Debt, and if any are alleged, the nature thereof, (v) that the Note and this Deed of Trust have not been modified or if modified, giving particulars of such modification and (vi) that there has occurred and is then continuing no Default or Event of Default or if such Default or Event of Default exists, the nature thereof, the period of time it has existed, and the action being taken to remedy such Default or Event of Default.

(b) Within twenty (20) days after written request by Trustor, Beneficiary shall furnish to Trustor a written statement confirming the amount of the Debt, the maturity date of the Note, the date to which interest has been paid, and whether to Beneficiary's knowledge any Event of Default has occurred and is then continuing.

(c) Trustor shall use all reasonable efforts to obtain estoppels from tenants under Major Space Leases that may be required hereunder or under the Loan Documents.

ARTICLE XI: NOTICES

Section 11.01. Notices. Any notice, demand, statement, request or consent made hereunder shall be in writing and delivered personally or sent to the party to whom the notice, demand or request is being made by Federal Express or other nationally recognized overnight delivery service, as follows and shall be deemed given when delivered personally or one (1) Business Day after being deposited with Federal Express or such other nationally recognized delivery service:

If to Beneficiary: To Beneficiary, at the address first written above,
with a copy to:

Dover House Capital, LLC
400 Perimeter Center Terrace
Suite 575
Atlanta, Georgia 30346
Attn: Norene Davis

and with a copy to:

Swidler & Berlin, Chartered
3000 K Street, N.W.
Washington, D.C. 20007
Attn: Jeffrey Scharff, Esq.

If to Trustor: To Trustor, at the address set forth on the signature page hereto,

with a copy to:

StorAmerica
9350 Wilshire Boulevard
Suite 400
Beverly Hills, California 90212
Attn: Vicky Schiff

and with a copy to:

Pircher, Nichols & Meeks
1999 Avenue of the Stars
Suite 2600
Los Angeles, California 90067
Attention: Real Estate Notices (WHJ)

If to Deed Trustee: To Deed Trustee, at the address first written above,

or such other address as Deed Trustee, Trustor or Beneficiary shall hereafter specify by not less than ten (10) days prior written notice as provided herein; provided, however, that notwithstanding any provision of this Article to the contrary, such notice of change of address shall be deemed given only upon actual receipt thereof. Rejection or other refusal to accept or the inability to deliver because of changed addresses of which no notice was given as herein required shall be deemed to be receipt of the notice, demand, statement, request or consent:

ARTICLE XII: INDEMNIFICATION

Section 12.01. Indemnification Covering Trust Property. In addition, and without limitation, to any other provision of this Deed of Trust or any other Loan Document, Trustor shall protect, indemnify and save harmless Beneficiary, Deed Trustee and their successors and assigns, and each of their agents, employees, officers and directors, for, from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expense (including, without limitation, reasonable attorneys' fees and expenses of outside counsel retained by any of such indemnified parties, whether incurred within or outside the judicial process), imposed upon or incurred by or asserted against Beneficiary, Deed Trustee, and their assigns, or any of their agents, employees, officers or directors, by reason of (a) ownership of this Deed of Trust, the Assignment, the Trust Property or any part thereof or any interest therein or receipt of any Rents (except to the extent such Rents actually have been received by Beneficiary); (b) any accident, injury to or death of any person or loss of or damage to property occurring in, on or about the Trust Property or any part thereof or on the adjoining sidewalks, curbs, parking areas, streets or ways; (c) any use, non-use or condition in, on or about, or possession, alteration, repair, operation, maintenance or management of, the Trust Property or any part thereof or on the adjoining sidewalks, curbs, parking areas, streets or ways; (d) any failure on the part of Trustor to perform or comply with any of the terms of this Deed of Trust or the Assignment or the failure of the obligor under any of the Other Deeds of Trust to perform its obligations thereunder; (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Trust Property or any part thereof; (f) 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 Trust Property or any part thereof; (g) any Imposition including, without limitation, any Imposition attributable to the execution, delivery, filing, or recording of any Loan Document, Lease or memorandum thereof (except to the extent due to the failure of Beneficiary to pay any such Imposition from available funds in the Escrow Fund where Beneficiary has an obligation under this Deed of Trust to do so); (h) any lien or claim arising on or against the Trust Property or any part thereof under any Legal Requirement or any liability asserted against Beneficiary or Deed Trustee with respect thereto; or (i) 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. Beneficiary shall promptly notify Trustor in writing of any claim made with respect to (a) through (i). Notwithstanding the foregoing provisions of this Section 12.01 to the contrary, Trustor shall have no obligation to indemnify Beneficiary pursuant to this Section 12.01 for liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses relative to the foregoing which result from Beneficiary's, and its successors' or assigns', willful misconduct or gross negligence. Any amounts payable to Beneficiary by reason of the application of this Section 12.01 shall constitute a part of the Debt secured by this Deed of Trust and other Loan Documents and shall become immediately due and payable and shall bear interest at the Default Rate from the date the liability, obligation, claim, cost or expense is sustained by Beneficiary, as applicable, until paid. The provisions of this

Section 12.01 shall survive the termination of this Deed of Trust whether by repayment of the Debt, foreclosure or delivery of a deed in lieu thereof, assignment or otherwise.

ARTICLE XIII: EVENTS OF DEFAULT

Section 13.01. Events of Default. The Debt shall become immediately due at the option of Beneficiary (except in the case of clause (i) below, the Debt shall be deemed automatically due) upon any one or more of the following events ("Event of Default"):

- (a) if the final payment or prepayment premium, if any, or Deferred Loan Fee due under the Note shall not be paid on Maturity;
- (b) if any monthly payment of interest and/or principal due under the Note (other than the sums described in (a) above) shall not be fully paid within five (5) days of the date upon which the same is due and payable thereunder;
- (c) if payment of any sum (other than the sums described in (a) above or (b) above) required to be paid pursuant to the Note, this Deed of Trust or any other Loan Document shall not be paid within ten (10) days after Beneficiary delivers written notice to Trustor that same is due and payable thereunder or hereunder;
- (d) if Trustor, Guarantor or, if Trustor or Guarantor is a partnership, any general partner of Trustor or Guarantor, or, if Trustor or Guarantor is a limited liability company, any member of Trustor or Guarantor, shall institute or cause to be instituted any proceeding for the termination or dissolution of Trustor, Guarantor or any such general partner or member;
- (e) if the insurance policies required hereunder are not kept in full force and effect, or if the insurance policies are not assigned and delivered to Beneficiary as herein provided and such failure shall continue for ten (10) days after notice from Beneficiary, provided, however, that in the event any insurance coverage required hereunder has or would lapse or be reduced because of any act or omission of Trustor or any third party (other than Beneficiary), then such notice and cure period shall not be applicable;
- (f) if Trustor or Guarantor assigns its rights, or attempts to assign its rights as evidenced by a clear and convincing written instrument manifesting such intent, under this Deed of Trust or any other Loan Document or any interest herein or therein, or if any Transfer occurs other than in accordance with the provisions hereof;
- (g) if any representation or warranty of Trustor or Guarantor made herein or in any other Loan Document or in any certificate, report, financial statement or other instrument or agreement furnished to Beneficiary shall prove false or misleading in any material respect provided that Trustor shall have ten (10) days after notice from Beneficiary to cure such false or

misleading statement if Beneficiary reasonably determines that such statement is reasonably susceptible of cure and Beneficiary has not theretofore relied thereon in any manner which was or could be detrimental to Beneficiary;

(h) if Trustor, Guarantor or any general partner of Trustor or Guarantor shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due;

(i) if a receiver, liquidator or trustee of Trustor, Guarantor or any general partner of Trustor or Guarantor shall be appointed or if Trustor, Guarantor or their respective general partners shall be adjudicated a bankrupt or insolvent, or if any petition for bankruptcy, reorganization or arrangement pursuant to federal bankruptcy law, or any similar federal or state law, shall be filed by or against, consented to, or acquiesced in by, Trustor, Guarantor or their respective general partners or if any proceeding for the dissolution or liquidation of Trustor, Guarantor or their respective general partners shall be instituted; however, if such appointment, adjudication, petition or proceeding was involuntary and not consented to by Trustor, Guarantor or their respective general partners, as applicable, upon the same not being discharged, stayed or dismissed within sixty (60) days or if Trustor, Guarantor or their respective general partners shall generally not be paying its debts as they become due;

(j) if Trustor shall be in default beyond any notice or grace period, if any, under any other mortgage or deed of trust or security agreement covering any part of the Trust Property without regard to its priority relative to this Deed of Trust; provided, however, this provision shall not be deemed a waiver of the provisions of Article IX prohibiting further encumbrances affecting the Trust Property or any other provision of this Deed of Trust;

(k) if the Trust 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 lien shall remain undischarged (by payment, bonding, or otherwise) for thirty (30) days (or such shorter time period as required by Section 2.06(a) above) unless contested in accordance with the terms hereof;

(l) if Trustor discontinues the operation of the Trust Property or any part thereof without obtaining Beneficiary's prior written consent thereto for reasons other than repair or restoration arising from a casualty or condemnation and such discontinuation continues for ten (10) consecutive days or more following notice from Beneficiary;

(m) except as permitted in this Deed of Trust, any material alteration, demolition or removal of any of the Improvements without the prior consent of Beneficiary and Trustor fails to restore the Improvements to substantially the same condition as existed prior to such alteration, demolition or removal within twenty (20) days following notice from Beneficiary;

(n) if Trustor consummates a transaction which would cause this Deed of Trust or Beneficiary's rights under this Deed of Trust, the Note or any other Loan Document to constitute a non-exempt prohibited transaction under ERISA or result in a violation of a state statute regulating government plans subjecting Beneficiary to liability for a violation of ERISA or a state statute;

(o) if an Event of Default shall occur under any of the Other Deeds of Trust;

(p) if a default shall occur under any Ground Lease and continue beyond the expiration of any applicable grace or cure period; or

(q) if Trustor shall be in default under any of the other terms, covenants or conditions of the Note (other than as set forth in (a) through (o) above), the Loan Agreement, this Deed of Trust or any other Loan Document, other than as set forth in (a) through (o) above, for ten (10) days after notice from Beneficiary in the case of any default which can be cured by the payment of a sum of money, or for thirty (30) days after notice from Beneficiary in the case of any other default, other than as set forth in (a) through (o) above, provided, however, that if any such non-monetary default is not reasonably susceptible of cure within such thirty (30) day period, Trustor shall have such additional time, but in no event to exceed an additional sixty (60) days, to effectuate such cure so long as Trustor is diligently and continuously effectuating such cure.

Section 13.02. Remedies. (a) Upon the occurrence and during the continuance of any Event of Default (an Event of Default shall no longer be deemed to exist for purposes of this Deed of Trust if this Deed of Trust, in the event the Event of Default arose hereunder, or the applicable Other Deed of Trust under which such Event of Default arose, as the case may be, is reconveyed within ten (10) Business Days following the date Beneficiary notifies Trustor of the release price, if any, required to be tendered to Beneficiary in accordance with Section 5.03 of the Loan Agreement, and if and only if upon such reconveyance, no other Event of Default shall then exist), in addition to any other rights or remedies available to it hereunder or under any other Loan Document, at law or in equity, Beneficiary may take such action, without notice or demand, as it reasonably deems advisable to protect and enforce its rights against Trustor in and to the Trust Property or enforce its rights under the Other Deeds of Trust, 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 Beneficiary may determine, in its sole discretion, without impairing or otherwise affecting any other rights and remedies of Beneficiary hereunder, at law or in equity: (i) declare all or any portion of the unpaid Debt to be immediately due and payable; provided, however, that upon the occurrence of any of the events specified in Section 13.01(i), the entire Debt will be immediately due and payable without notice or demand or any other declaration of the amounts due and payable; or (ii) bring, or instruct Deed Trustee to bring, an action to foreclose this Deed of Trust and with or without applying for a receiver for the Rents, but subject to the rights of the tenants under the Leases, enter into or upon the Trust Property or any part thereof, either personally or by its agents, nominees or attorneys, and dispossess Trustor and its agents and servants therefrom, and thereupon Beneficiary may (A)

use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Trust Property and conduct the business thereat, (B) make alterations, additions, renewals, replacements and improvements to or on the Trust Property or any part thereof, (C) exercise all rights and powers of Trustor with respect to the Trust Property or any part thereof, whether in the name of Trustor or otherwise, including, without limitation, the right to make, cancel, enforce or modify leases, obtain and evict tenants, and demand, sue for, collect and receive all earnings, revenues, rents, issues, profits and other income of the Trust Property and every part thereof, and (D) apply the receipts from the Trust Property or any part thereof to the payment of the Debt, after deducting therefrom all expenses (including, without limitation, reasonable attorneys' fees and disbursements of outside counsel) reasonably incurred in connection with the aforesaid operations and all amounts necessary to pay the Impositions, insurance and other charges in connection with the Trust Property or any part thereof, as well as just and reasonable compensation for the services of Beneficiary's third-party agents; or (iii) have an appraisal or other valuation of the Trust Property or any part thereof performed by an Appraiser (and Trustor covenants and agrees it shall cooperate in causing any such valuation or appraisal to be performed) and any actual cost or expense incurred by Beneficiary 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 Beneficiary with interest, at the Default Rate, until the date of receipt by Beneficiary; or (iv) sell, or instruct Deed Trustee to sell, the Trust Property or institute proceedings for the complete foreclosure of this Deed of Trust, or take such other action as may be allowed pursuant to Legal Requirements, at law or in equity, for the enforcement of this Deed of Trust in which case the Trust Property or any part thereof may be sold for cash or credit in one or more parcels; or (v) with or without entry, and to the extent permitted and pursuant to the procedures provided by applicable Legal Requirements, institute proceedings for the partial foreclosure of this Deed of Trust, or take such other action as may be allowed pursuant to Legal Requirements, at law or in equity, for the enforcement of this Deed of Trust for the portion of the Debt then due and payable, subject to the lien of this Deed of Trust continuing unimpaired and without loss of priority so as to secure the balance of the Debt not then due; or (vi) sell, or instruct Deed Trustee to sell, the Trust Property or any part thereof and any or all estate, claim, demand, right, title and interest of Trustor 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 Beneficiary, and in the event of a sale, by foreclosure or otherwise, of less than all of the Trust Property, this Deed of Trust shall continue as a lien on the remaining portion of the Trust Property; or (vii) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained in the Loan Documents, or any of them; or (viii) recover judgment on the Note or any guaranty either before, during or after (or in lieu of) any proceedings for the enforcement of this Deed of Trust; or (ix) apply, or direct Deed Trustee to apply, ex parte, for the appointment of a custodian, trustee, receiver, liquidator or conservator of the Trust Property or any part thereof, irrespective of the adequacy of the security for the Debt and without regard to the solvency of Trustor or of any Person liable for the payment of the Debt, to which appointment Trustor 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 Beneficiary to receive the Rent with respect to any of the Trust Property pursuant to this Deed of Trust or the Assignment; or (x) require, at Beneficiary's option, Trustor to pay monthly in advance to Beneficiary, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of any portion of the Trust Property occupied by Trustor or any Affiliate and may require Trustor or such Affiliate to vacate and surrender possession to Beneficiary of the Trust Property or to such receiver and Trustor or such Affiliate may be evicted by summary proceedings or otherwise; or (xi) without notice to Trustor (A) apply all or any portion of the cash collateral in the Escrow Fund, including any interest and/or earnings therein, to carry out the obligations of Trustor under this Deed of Trust and the other Loan Documents, to protect and preserve the Trust Property and for any other purpose permitted under this Deed of Trust and the other Loan Documents, and/or (B) have all or any portion of such cash collateral immediately paid to Beneficiary to be applied against the Debt in the order and priority set forth in the Note; or (xii) pursue any or all such other rights or remedies as Beneficiary or Deed Trustee may have under applicable law or in equity; or (xiii) exercise any and all remedies that may then be available to Deed Trustee or Beneficiary pursuant to any of the Other Deeds of Trust or any other Loan Documents evidencing or securing the Cross-Collateralized Obligations, provided, however, that the provisions of this Section 13.02(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 Loan Documents. Trustor hereby waives, to the fullest extent permitted by Legal Requirements, any defense Trustor might otherwise raise or have by the failure to make any tenants parties defendant to a foreclosure proceeding and to foreclose their rights in any proceeding instituted by Beneficiary or Deed Trustee.

(b) Any time after an Event of Default Deed Trustee, at the request of Beneficiary, shall have the power to sell the Trust Property or any part thereof at public auction, in such manner, at such time and place, upon such terms and conditions, and upon such public notice as Beneficiary may deem best for the interest of Beneficiary, or as may be required or permitted by applicable law, consisting of advertisement in a newspaper of general circulation in the jurisdiction and for such period as applicable law may require and at such other times and by such other methods, if any, as may be required by law to convey the Trust Property in fee simple by Deed Trustee's deed without recourse or warranty, express or implied, and at the cost of the purchaser, who shall not be liable to see to the application of the purchase money. Any recitals in such deed of any matters of fact shall be conclusive proof of the truthfulness thereof. Beneficiary shall have the sole right to direct the order in which separate parcels of the Trust Property, if any, shall be sold. The proceeds or avails of any sale made under or by virtue of this Section 13.02, together with any other sums which then may be held by Beneficiary under this Deed of Trust, whether under the provisions of this Section 13.02 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 Beneficiary's and Deed Trustee's outside legal counsel as applicable, and of any judicial proceedings wherein the same may be made, and of all expenses, liabilities and advances reasonably made or incurred by Beneficiary or Deed Trustee under this Deed of Trust, together with interest as provided herein on all such advances made by Beneficiary, and all Impositions, except any Impositions or other charges subject to which the Trust Property shall have been sold;

Second: To the payment of the whole amount then due, owing and unpaid under the Note for principal and interest thereon, with interest on such unpaid principal at the Default Rate from the date of the occurrence of the earliest Event of Default that formed a basis for such sale until the same is paid;

Third: To the payment of any other portion of the Debt secured by this Deed of Trust; and

Fourth: The surplus, if any, to Trustor unless otherwise required by Legal Requirements.

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

(c) Beneficiary and Deed Trustee may 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, Beneficiary or Deed Trustee, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned. Any Person, including Trustor, Deed Trustee and Beneficiary may bid at any such sale.

(d) Upon the completion of any sale or sales made by Beneficiary or Deed Trustee under or by virtue of this Section 13.02, Beneficiary or Deed 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. Beneficiary is hereby irrevocably appointed the true and lawful attorney-in-fact of Trustor (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 Beneficiary and/or Deed Trustee may execute all necessary instruments of conveyance, assignment, transfer and delivery, and may substitute one or more Persons with like power, Trustor hereby ratifying and confirming all that its said attorney-in-fact or such substitute or substitutes shall lawfully do by virtue hereof. Nevertheless, Trustor, if so requested by Beneficiary, shall ratify and confirm any such sale or sales by executing and delivering to Beneficiary, or to such purchaser or purchasers

all such instruments as may be advisable, in the sole judgment of Beneficiary, for such purpose, and as may be designated in such request. Any such sale or sales made under or by virtue of this Section 13.02, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Trustor 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 Trustor and against any and all Persons claiming or who may claim the same, or any part thereof, from, through or under Trustor.

(e) In the event of any sale made under or by virtue of this Section 13.02 (whether made under the power of sale herein granted or under or by virtue of judicial proceedings or a judgment or decree of foreclosure and sale), the entire Debt immediately thereupon shall, anything in the Loan Documents to the contrary notwithstanding, become due and payable.

(f) Upon any sale made under or by virtue of this Section 13.02 (whether made under the power of sale herein granted or under or by virtue of judicial proceedings or a judgment or decree of foreclosure and sale), Beneficiary may bid for and acquire the Trust 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 Beneficiary and no levy of an execution under any judgment upon the Trust Property or any part thereof or upon any other property of Trustor shall release the lien of this Deed of Trust upon the Trust Property or any part thereof, or any liens, rights, powers or remedies of Beneficiary hereunder, but such liens, rights, powers and remedies of Beneficiary shall continue unimpaired until all amounts due under the Note, this Deed of Trust and the other Loan Documents are paid in full.

Section 13.03. RESERVED

Section 13.04. Possession of the Trust Property. Upon the occurrence of any Event of Default hereunder and the acceleration of the Debt or any portion thereof, Trustor, if an occupant of the Trust Property or any part thereof, upon demand of Beneficiary, shall immediately surrender possession of the Trust Property (or the portion thereof so occupied) to Beneficiary, and if Trustor is permitted to remain in possession, the possession shall be as a month-to-month tenant of Beneficiary and, on demand, Trustor shall pay to Beneficiary monthly, in advance, a reasonable rental for the space so occupied and in default thereof Trustor may be dispossessed. The covenants herein contained may be enforced by a receiver of the Trust Property or any part thereof. Nothing in this Section 13.04 shall be deemed to be a waiver of the provisions of this Deed of Trust making the Transfer of the Trust Property or any part thereof without Beneficiary's prior written consent an Event of Default.

Section 13.05. Interest After Default. If any amount due under the Note, this Deed of Trust or any of the other Loan 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, Trustor shall pay interest on the amount not so paid from and after the date on which such amount first becomes due at the Default Rate; 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 Beneficiary, whether or not any action shall have been taken or proceeding commenced to recover the same or to foreclose this Deed of Trust. All unpaid and accrued interest shall be secured by this Deed of Trust as part of the Debt. Nothing in this Section 13.05 or in any other provision of this Deed of Trust shall constitute an extension of the time for payment of the Debt.

Section 13.06. Trustor's Actions After Event of Default. After the happening of any Event of Default and immediately upon the commencement of any action, suit or other legal proceedings by Beneficiary to obtain judgment for the Debt, or of any other nature in aid of the enforcement of the Loan Documents, Trustor 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 Beneficiary, consent to the appointment of a receiver or receivers of the Trust Property or any part thereof and of all the earnings, revenues, rents, issues, profits and income thereof.

Section 13.07. Control by Beneficiary After Event of Default. Notwithstanding the appointment of any custodian, receiver, liquidator or trustee of Trustor, or of any of its property, or of the Trust Property or any part thereof, to the extent permitted by Legal Requirements, Beneficiary shall be entitled to obtain possession and control of all property now and hereafter covered by this Deed of Trust and the Assignment in accordance with the terms hereof.

Section 13.08. Right to Cure Events of Default. (a) Upon the occurrence of any Event of Default, Beneficiary or its agents may, but without any obligation to do so and without notice to or demand on Trustor and without releasing Trustor from any obligation hereunder, make or do the same in such manner and to such extent as Beneficiary may deem necessary to protect the security hereof. Beneficiary and its agents are authorized to enter upon the Trust Property or any part thereof for such purposes, or appear in, defend, or bring any action or proceedings to protect Beneficiary's interest in the Trust Property or any part thereof or to foreclose this Deed of Trust or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees of outside counsel to the extent permitted by law), with interest as provided in this Section 13.08, shall constitute a portion of the Debt and shall be immediately due and payable to Beneficiary upon demand. All such costs and expenses incurred by Beneficiary 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 Beneficiary. All such costs and expenses incurred by Beneficiary or its agents together with interest thereon calculated at the above rate shall be deemed to constitute a portion of the Debt and be secured by this Deed of Trust.

Section 13.09. Late Payment Charge. If any portion of the Direct Obligations is not paid in full on or before the fifth day following the date on which it is initially due and payable hereunder, Trustor shall pay to Beneficiary an amount equal to five percent (5%) of such unpaid portion of the Direct Obligations ("Late Charge") to defray the expense incurred by Beneficiary in handling and processing such delinquent payment, and such amount shall constitute a part of the Debt.

Section 13.10. Recovery of Sums Required to Be Paid. Beneficiary 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 Beneficiary thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Trustor existing at the time such earlier action was commenced.

Section 13.11. Marshaling and Other Matters. Trustor hereby waives, to the fullest extent permitted by law, the benefit of all appraisement, valuation, stay, extension, reinstatement, redemption (both equitable and statutory) and homestead laws now or hereafter in force and all rights of marshaling in the event of any sale hereunder of the Trust Property or any part thereof or any interest therein, including, without limitation, all rights provided by California Civil Code Sections 2899 and 3433. Nothing herein or in any other Loan Document shall be construed as requiring Beneficiary to resort to any particular collateral for the satisfaction of the Debt in preference or priority to any other collateral but Beneficiary may seek satisfaction out of all the collateral or any part thereof in its absolute discretion. Further, Trustor 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 Trustor, whether equitable or statutory and on behalf of each and every Person acquiring any interest in or title to the Trust 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.

Section 13.12. Tax Reduction Proceedings. During the continuance of an Event of Default, Trustor shall be deemed to have appointed Beneficiary as its attorney-in-fact to seek a reduction or reductions in the assessed valuation of the Trust 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 13.13. General Provisions Regarding Remedies.

(a) Right to Terminate Proceedings. Beneficiary or Deed Trustee may terminate or rescind any proceeding or other action brought in connection with its exercise of the remedies provided in Section 13.02 at any time before the conclusion thereof, as determined in Beneficiary's sole discretion and without prejudice to Beneficiary.

(b) No Waiver or Release. The failure of Beneficiary or Deed Trustee to exercise any right, remedy or option provided in the Loan Documents shall not be deemed a waiver of such right, remedy or option or of any covenant or obligation contained in the Loan Documents. No acceptance by Beneficiary of any payment after the occurrence of an Event of Default and no payment by Beneficiary of any payment or obligation for which Trustor is liable hereunder shall be deemed to waive or cure any Event of Default. No sale of all or any portion of the Trust Property, no forbearance on the part of Beneficiary, and no extension of time for the payment of the whole or any portion of the Debt or any other indulgence given by Beneficiary to Trustor or any other Person, shall operate to release or in any manner affect the interest of Beneficiary in the Trust Property or the liability of Trustor to pay the Debt. No waiver by Beneficiary shall be effective unless it is in writing and then only to the extent specifically stated.

(c) No Impairment; No Releases. The interests and rights of Beneficiary under the Loan Documents shall not be impaired by any indulgence, including (i) any renewal, extension or modification which Beneficiary may grant with respect to any of the Debt; (ii) any surrender, compromise, release, renewal, extension, exchange or substitution which Beneficiary may grant with respect to the Trust Property or any portion thereof; or (iii) any release or indulgence granted to any maker, endorser, guarantor or surety of any of the Debt.

(d) Effect on Judgment. No recovery of any judgment by Beneficiary and no levy of an execution under any judgment upon any Trust Property or any portion thereof shall affect in any manner or to any extent the lien of the Other Deeds of Trust upon the collateral pledged thereunder or any portion thereof, or any rights, powers or remedies of Beneficiary hereunder or thereunder. Such lien, rights, powers and remedies of Beneficiary shall continue unimpaired as before.

ARTICLE XIV: COMPLIANCE WITH REQUIREMENTS

Section 14.01. Compliance with Legal Requirements. (a) Trustor shall promptly comply 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, all Legal Requirements which may be applicable to the curbs adjoining the Trust Property or to the use or manner of use thereof, and all rent control, rent stabilization and all other similar Legal Requirements relating to

rents charged and/or collected in connection with the Leases. Trustor represents and warrants that the Trust Property is in compliance in all respects with all Legal Requirements as of the date hereof, no notes or notices of violations of any Legal Requirements have been entered or received by Trustor and there is no basis for the entering of such note or notices.

(b) Trustor shall have the right to contest by appropriate legal proceedings diligently conducted in good faith, without cost or expense to Beneficiary or Deed 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 Beneficiary or Deed Trustee to any civil or criminal liability, (ii) prior to and during such contest, Trustor shall furnish to Beneficiary security reasonably satisfactory to Beneficiary, 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 Loan Documents, (iv) such contest shall not, (unless Trustor shall comply with the provisions of clause (ii) of this Section 14.01(b)) subject the Trust 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; (v) such contest shall not affect the ownership, use or occupancy of the Trust Property; (vi) the Trust Property or any part thereof or any interest therein shall not be in any danger of being sold, forfeited or lost by reason of such contest by Trustor; (vii) Trustor shall give Beneficiary prompt notice of the commencement of such proceedings and, upon request by Beneficiary, notice of the status of such proceedings and/or confirmation of the continuing satisfaction of the conditions set forth in clauses (i)-(vi) of this Section 14.01(b); and (viii) upon a final determination of such proceeding, Trustor shall take all steps necessary to comply with any requirements arising therefrom.

(c) Trustor shall at all times comply with all applicable Legal Requirements with respect to the construction, use and maintenance of any vaults adjacent to the Trust Property. If by reason of the failure to pay taxes, assessments, charges, permit fees, franchise taxes or levies of any kind or nature, the continued use of the vaults adjacent to Trust Property or any part thereof is discontinued, Trustor nevertheless shall, with respect to any vaults which may be necessary for the continued use of the Trust Property, take such steps (including the making of any payment) to insure the continued use of vaults or replacements.

Section 14.02. Compliance with Recorded Documents; No Future Grants. Trustor shall promptly perform and observe or cause to be performed and observed, all of the terms, covenants and conditions of all Property Agreements and all things necessary to preserve intact and unimpaired any and all appurtenances or other interests or rights affecting the Trust Property.

ARTICLE XV: PREPAYMENT

Section 15.01. Prepayment. (a) Except as set forth in Section 15.01(b) hereof or in Article V of the Loan Agreement, no prepayment of the Debt may be made in whole or in part.

(b) At any time, Trustor may prepay the Loan, in whole, or in part, as of the last day of an Interest Accrual Period in accordance with the following provisions:

(i) Beneficiary shall have received from Trustor, not less than fifteen (15) days', nor more than ninety (90) days', prior written notice specifying the date proposed for such prepayment and the amount which is to be prepaid except that only two Business Days' notice shall be required in connection with any prepayment required by Beneficiary in accordance with Article V of the Loan Agreement.

(ii) Trustor shall also pay to Beneficiary all interest due through and including the last day of the Interest Accrual Period in which such prepayment is being made, together with any and all other amounts due and owing pursuant to the terms of the Note, this Deed of Trust or the other Loan Documents including, without limitation, the Deferred Loan Fee with respect to the principal amount prepaid.

ARTICLE XVI: ENVIRONMENTAL COMPLIANCE

Section 16.01. Covenants, Representations and Warranties. (a) Trustor has not, at any time, and, to Trustor's actual knowledge after due inquiry and investigation, except as set forth in the Environmental Report, 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 Trustor, and Trustor does not intend to and shall not use the Trust 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 use and storage for use of heating oil, cleaning fluids, pesticides and other substances customarily used in the operation of properties that are being used for the same purposes as the Trust Property is presently being used, provided such use and/or storage for use is in compliance with the requirements hereof and the other Loan Documents and does not give rise to liability under applicable Legal Requirements or Environmental Statutes or be the basis for a lien against the Trust Property or any part thereof. In addition, without limitation to the foregoing provisions,

Trustor represents and warrants that, to Trustor's actual knowledge, after due inquiry and investigation, except as previously disclosed in writing to Beneficiary, there is no asbestos in, on, over, or under all or any portion of the fire-proofing or any other portion of the Trust Property.

(b) Trustor, after due inquiry and investigation, 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 Trust Property or any part thereof or any other real property owned and/or occupied by Trustor, or onto lands from which such Hazardous Materials might seep, flow or drain into such waters, except as disclosed in the Environmental Report.

(c) Trustor shall not permit any Hazardous Materials to be 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 Trust Property or any portion thereof at any time, except for use and storage for use of heating oil, ordinary cleaning fluids, pesticides and other substances customarily used in the operation of properties that are being used for the same purposes as the Trust Property is presently being used, provided such use and/or storage for use is in compliance with the requirements hereof and the other Loan Documents and does not give rise to liability under applicable Legal Requirements or be the basis for a lien against the Trust Property or any part thereof.

(d) Trustor represents and warrants that no actions, suits, or proceedings have been commenced, or are pending, or to the best knowledge of Trustor, are threatened with respect to any Legal Requirement governing the use, manufacture, storage, treatment, transportation, or processing of Hazardous Materials with respect to the Trust Property or any part thereof. Neither Trustor nor any Affiliate of Trustor has received notice of, and, except as disclosed in the Environmental Report, after due inquiry, has 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 Environmental Statute pertaining to Hazardous Materials on, in, under or originating from the Trust Property or any part thereof or any other real property owned or occupied by Trustor or arising out of the conduct of Trustor, including, without limitation, pursuant to any Environmental Statute.

(e) Except as expressly provided in the purchase and sale agreement pursuant to which Trustor acquired the Trust Property, Trustor has not waived any Person's liability with regard to the Hazardous Materials in, on, under or around the Trust Property, nor has Trustor retained or assumed, contractually or by operation of law, other than in its capacity as owner of the Trust Property, 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 Trust Property or any part thereof pursuant to any Environmental Statute pertaining to Hazardous Materials, Trustor 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 fifteen (15) days, from the date that Trustor receives notice of such lien, either (i) pay the claim and remove the lien from the Trust Property, or (ii) furnish (A) a bond satisfactory to Beneficiary 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 Beneficiary in an amount sufficient to discharge the claim out of which the lien arises.

(g) Trustor represents and warrants that (i) except as disclosed in the Environmental Report and other de minimis amounts of Hazardous Materials customarily found on properties similar to the Trust Property and which are used and stored in compliance with all applicable Environmental Statutes, Trustor has no knowledge of any violation of any Environmental Statute or any Environmental Problem in connection with the Trust Property, nor has Trustor been requested or required by any Governmental Authority to perform any remedial activity or other responsive action in connection with any Environmental Problem and (ii) neither the Trust Property nor any other property owned by Trustor is included or, to Trustor's best knowledge, after due inquiry and investigation, proposed for inclusion on the National Priorities List issued pursuant to CERCLA by the United States Environmental Protection Agency (the "EPA") or on the inventory of other potential "Problem" sites issued by the EPA and has not otherwise been identified by the EPA as a potential CERCLA site or included or, to Trustor's knowledge, after due inquiry and investigation, proposed for inclusion on any list or inventory issued pursuant to any other Environmental Statute, if any, or issued by any other Governmental Authority. Trustor covenants that Trustor will comply with all Environmental Statutes affecting or imposed upon Trustor or the Trust Property.

(h) Trustor covenants that upon receiving or obtaining any knowledge thereof, it shall promptly notify Beneficiary of the presence and/or release of any Hazardous Materials and of any request for information or any inspection of the Trust Property or any part thereof by any Governmental Authority with respect to any Hazardous Materials and provide Beneficiary with copies of such request and any response to any such request or inspection. Trustor covenants that it shall, in compliance with applicable Legal Requirements, conduct and complete all investigations, studies, sampling and testing (and promptly shall provide Beneficiary 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 Trust Property or any part thereof to the extent and in the manner required by all such Legal Requirements applicable to the Trust Property or any part thereof to the satisfaction of Beneficiary.

(i) Trustor shall, at Trustor's sole cost and expense, cause to be delivered to Beneficiary an updated Environmental Report with respect to the Trust Property at such times

as Beneficiary may reasonably request if Beneficiary has a good faith reason to believe that there may be an Environmental Problem affecting the Trust Property which Beneficiary in good faith believes may violate any applicable Environmental Statute or otherwise materially affects or could affect the value of the Trust Property. In addition, following the occurrence of an Event of Default hereunder, and without regard to whether Beneficiary shall have taken possession of the Trust Property or a receiver has been requested or appointed or any other right or remedy of Beneficiary has or may be exercised hereunder or under any other Loan Document, Beneficiary shall have the right (but no obligation) to conduct such investigations, studies, sampling and/or testing of the Trust Property or any part thereof as Beneficiary may, in its discretion, determine to conduct, relative to Hazardous Materials. All costs and expenses reasonably 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 Beneficiary, be immediately due and payable and shall bear interest at the Default Rate from the date so demanded by Beneficiary until reimbursed.

(j) Trustor represents and warrants that except in accordance with all applicable Environmental Statutes and as disclosed in the Environmental Report, (i) no underground treatment or storage tanks or pumps or water, gas, or oil wells are or have been located about the Trust Property, (ii) no PCBs or transformers, capacitors, ballasts or other equipment that contain dielectric fluid containing PCBs are located about the Trust Property and (iii) no asbestos-containing material is located about the Trust Property.

Section 16.02. Environmental Indemnification. Trustor shall defend, indemnify and hold harmless Beneficiary and Deed Trustee and their successors and assigns, and their employees, agents, officers and directors from and against any claims, demands, penalties, fines, liabilities, settlements, damages, 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 any Environmental Problem, including without limitation:

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

(b) any personal injury (including 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 Trust Property or any part thereof whether or not disclosed by the Environmental Report relative to the Trust 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 the Environmental Report relative to the Trust Property; and/or

(d) any violation of the provisions, covenants, representations or warranties of Section 16.01 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 Trust 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 the Environmental Report relative to the Trust Property.

Notwithstanding the foregoing provisions of this Section 16.02 to the contrary, Trustor shall have no obligation to indemnify Beneficiary for liabilities, claims, damages, penalties, causes of action, costs and expenses relative to the foregoing which result directly from Beneficiary's willful misconduct or gross negligence or with respect to matters first arising after the sale of all of Trustor's interest in the Trust Property. Any amounts payable to Beneficiary by reason of the application of this Section 16.02 shall be secured by this Deed of Trust and shall, upon demand by Beneficiary, become immediately due and payable and shall bear interest at the Default Rate from the date so demanded by Beneficiary until paid. Notwithstanding the foregoing or anything to the contrary contained in this Deed of Trust or in any other Loan Document, so long as Beneficiary's rights to pursue the Trustor and/or Guarantor are not impaired or prejudiced thereby in any material manner as reasonably determined by Beneficiary, Beneficiary shall use reasonable efforts to seek to obtain reimbursement pursuant to any valid insurance policy covering environmental risks and maintained by the Trustor pursuant to the terms of the Loan Documents, to the extent that such reimbursement shall be available to Beneficiary, before it seeks to obtain satisfaction with respect to any loss or damage or other obligation for which Trustor or Guarantor shall be liable with respect to environmental matters from the personal assets (other than assets which serve as collateral for the Loan) of Trustor or Guarantor. In the event that any such insurer denies liability following the filing of a claim (after giving effect to any appeals period provided in the applicable environmental insurance policy so long as the Trustor or Guarantor is diligently prosecuting such claim), the Beneficiary shall be deemed to have exercised reasonable efforts for purposes of the preceding sentence.

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. The indemnity provided for in this Section 16.02 shall not be included in any exculpation, if any, of Trustor or, except as provided in Section 18.35 below, its principals from personal liability provided for in this Deed of Trust or in any of the other Loan Documents. Nothing in this Section 16.02 shall be deemed to deprive Beneficiary of any rights or remedies otherwise available to Beneficiary, including, without limitation, those rights and remedies provided elsewhere in this Deed of Trust or the other Loan Documents.

ARTICLE XVII: ASSIGNMENTS

Section 17.01. Participations and Assignments. Beneficiary shall have the right at Beneficiary's sole cost and expense to assign this Deed of Trust and/or any of the Loan Documents, and to transfer, assign or sell Participations and subparticipations (including blind or undisclosed Participations and subparticipations) in the Loan Documents and the obligations hereunder to any Person; provided, however, that no such participation shall increase, decrease or otherwise affect either Trustor's or Beneficiary's obligations under this Deed of Trust or the other Loan Documents.

ARTICLE XVIII: MISCELLANEOUS

Section 18.01. Right of Entry. Beneficiary and its agents shall have the right to enter and inspect the Trust Property or any part thereof at all reasonable times, and, except in the event of an emergency, upon reasonable notice and to inspect Trustor's books and records and to make abstracts and reproductions thereof.

Section 18.02. Cumulative Rights. The rights of Beneficiary under this Deed of Trust shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Beneficiary shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Beneficiary shall not be limited exclusively to the rights and remedies herein stated but shall be entitled, subject to the terms of this Deed of Trust, to every right and remedy now or hereafter afforded by law.

Section 18.03. Liability. If Trustor consists of more than one Person, the obligations and liabilities of each such Person hereunder shall be joint and several.

Section 18.04. Exhibits Incorporated. The information set forth on the cover hereof, and the Exhibits annexed hereto, are hereby incorporated herein as a part of this Deed of Trust with the same effect as if set forth in the body hereof.

Section 18.05. Severable Provisions. If any term, covenant or condition of the Loan Documents including, without limitation, the Note or this Deed of Trust, is held to be invalid, illegal or unenforceable in any respect, such Loan Document shall be construed without such provision.

Section 18.06. Duplicate Originals. This Deed of Trust may be executed in any number of duplicate originals and each such duplicate original shall be deemed to constitute but one and the same instrument.

Section 18.07. No Oral Change. The terms of this Deed of Trust, together with the terms of the Note and the other Loan Documents constitute the entire understanding and agreement of the parties hereto and supersede all prior agreements, understandings and negotiations between Trustor and Beneficiary with respect to the Loan. This Deed of Trust, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act on the part of Trustor or Beneficiary, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

Section 18.08. Waiver of Counterclaim. Etc. Trustor HEREBY WAIVES THE RIGHT TO ASSERT A COUNTERCLAIM, OTHER THAN A COMPULSORY COUNTERCLAIM, IN ANY ACTION OR PROCEEDING BROUGHT AGAINST IT BY BENEFICIARY OR ITS AGENTS, AND WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING BROUGHT BY EITHER PARTY HERETO AGAINST THE OTHER OR IN ANY COUNTERCLAIM Trustor MAY BE PERMITTED TO ASSERT HEREUNDER OR WHICH MAY BE ASSERTED BY BENEFICIARY OR ITS AGENTS, AGAINST Trustor, OR IN ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS DEED OF TRUST OR THE DEBT.

Section 18.09. Headings; Construction of Documents; etc. The table of contents, headings and captions of various paragraphs of this Deed of Trust are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof. Trustor acknowledges that it was represented by competent counsel in connection with the negotiation and drafting of this Deed of Trust and the other Loan Documents and that neither this Deed of Trust nor the other Loan Documents shall be subject to the principle of construing the meaning against the Person who drafted same.

Section 18.10. Sole Discretion of Beneficiary. Whenever Beneficiary exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Beneficiary, the decision of Beneficiary to approve or disapprove or to decide that arrangements or terms are satisfactory or not satisfactory shall be in the sole discretion of Beneficiary and shall be final and conclusive, except as may be otherwise specifically provided herein.

Section 18.11. Waiver of Notice. Trustor shall not be entitled to any notices of any nature whatsoever from Beneficiary except with respect to matters for which this Deed of Trust specifically and expressly provides for the giving of notice by Beneficiary to Trustor and except with respect to matters for which Trustor is not, pursuant to applicable Legal Requirements, permitted to waive the giving of notice. Trustor requests that a copy of any notice of default and any notice of trustee's sale under this Deed of Trust be sent to Trustor at its address set forth on the signature page hereof.

Section 18.12. Covenants Run with the Land. All of the grants, covenants, terms, provisions and conditions herein shall run with the Premises, shall be binding upon Trustor and shall inure to the benefit of Beneficiary, subsequent holders of this Deed of Trust and their successors and assigns. Without limitation to any provision hereof, the term "Trustor" shall include and refer to the Trustor named herein, any subsequent owner of the Trust Property, and its respective heirs, executors, legal representatives, successors and assigns. The representations, warranties and agreements contained in this Deed of Trust and the other Loan Documents are intended solely for the benefit of the parties hereto, shall confer no rights hereunder, whether legal or equitable, in any other Person and no other Person shall be entitled to rely thereon.

Section 18.13. Applicable Law. THIS DEED OF TRUST WAS NEGOTIATED IN NEW YORK, AND DELIVERED BY Trustor AND ACCEPTED BY BENEFICIARY IN THE STATE OF NEW YORK, AND THE PROCEEDS OF THE NOTE WERE DISBURSED FROM NEW YORK, WHICH STATE THE PARTIES AGREE HAS A SUBSTANTIAL RELATIONSHIP TO THE PARTIES AND TO THE UNDERLYING TRANSACTION EMBODIED HEREBY, AND IN ALL RESPECTS, INCLUDING, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, MATTERS OF CONSTRUCTION, VALIDITY AND PERFORMANCE, THIS DEED OF TRUST AND THE OBLIGATIONS ARISING HEREUNDER SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK APPLICABLE TO CONTRACTS MADE AND PERFORMED IN SUCH STATE AND ANY APPLICABLE LAW OF THE UNITED STATES OF AMERICA, EXCEPT THAT AT ALL TIMES THE PROVISIONS FOR THE CREATION, PERFECTION, PRIORITY, ENFORCEMENT AND FORECLOSURE OF THE LIENS AND SECURITY INTERESTS CREATED HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED ACCORDING TO THE LAW OF THE STATE IN WHICH THE TRUST PROPERTY IS LOCATED, IT BEING UNDERSTOOD THAT, TO THE FULLEST EXTENT PERMITTED BY THE LAW OF SUCH STATE, THE LAW OF THE STATE OF NEW YORK SHALL GOVERN THE VALIDITY AND ENFORCEABILITY OF ALL LOAN DOCUMENTS, AND THE DEBT OR OBLIGATIONS ARISING HEREUNDER.

Section 18.14. Security Agreement. (a) (i) This Deed of Trust is both a real property mortgage and a "security agreement" within the meaning of the UCC. The Trust Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Trustor in the Trust Property. This Deed of Trust is filed as a fixture filing and covers goods which are or are to become fixtures on the Trust Property. Trustor by executing and delivering this Deed of Trust has granted to Beneficiary, as security for the Debt, a security interest in the Trust Property to the full extent that the Trust Property may be subject to the UCC of the State in which the Trust Property is located (said portion of the Trust Property so subject to the UCC being called in this Section 18.14 the "Collateral"). If an Event of Default shall occur, Beneficiary, 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, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Beneficiary may deem necessary for the care, protection and preservation of the Collateral. Upon request or demand of Beneficiary following an Event of Default, Trustor shall, at its expense, assemble the Collateral and make it available to Beneficiary at a convenient place acceptable to Beneficiary. Trustor shall pay to Beneficiary on demand any and all expenses, including reasonable legal expenses and attorneys' fees of outside counsel, incurred or paid by Beneficiary in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral. 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 in which sheriff's sales are advertised in the county where the Premises is located. Any notice of sale, disposition or other intended action by Beneficiary with respect to the Collateral given to Trustor in accordance with the provisions hereof at least ten (10) Business Days prior to such action, shall constitute reasonable notice to Trustor. The proceeds of any disposition of the Collateral, or any part thereof, may be applied by Beneficiary to the payment of the Debt in such priority and proportions as Beneficiary in its discretion shall deem proper.

(ii) The mention in a financing statement filed in the records normally pertaining to personal property of any portion of the Trust Property shall not derogate from or impair in any manner the intention of this Deed of Trust. Beneficiary hereby declares that all items of Collateral are part of the real property encumbered hereby to the fullest extent permitted by law, regardless of whether any such item is physically attached to the Improvements or whether serial numbers are used for the better identification of certain items. Specifically, the mention in any such financing statement of any items included in the Trust Property shall not be construed to alter, impair or impugn any rights of Beneficiary as determined by this Deed of Trust or the priority of Beneficiary's lien upon and security interest in the Trust Property in the event that notice of Beneficiary's priority of interest as to any portion of the Trust Property is required to be filed in accordance with the UCC to be effective against or take priority over the interest of any particular class of persons, including the federal government or any subdivision or instrumentality thereof.

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

Section 18.15. Actions and Proceedings. Beneficiary has the right to appear in and defend any action or proceeding brought with respect to the Trust Property in its own name or, if required by Legal Requirements or, if in Beneficiary's reasonable judgment, it is

necessary, in the name and on behalf of Trustor, which Beneficiary believes will adversely affect the Trust Property or this Deed of Trust and to bring any action or proceedings, in its name or in the name and on behalf of Trustor, which Beneficiary, in its discretion, decides should be brought to protect its interest in the Trust Property.

Section 18.16. Usury Laws. This Deed of Trust and the Note are subject to the express condition, and it is the expressed intent of the parties, that at no time shall Trustor be obligated or required to pay interest on the principal balance due under the Note at a rate which could subject the holder of the Note to either civil or criminal liability as a result of being in excess of the maximum interest rate which Trustor is permitted by law to contract or agree to pay. If by the terms of this Deed of Trust or the Note, Trustor is at any time required or obligated to pay interest on the principal balance due under the Note at a rate in excess of such maximum rate, such rate of interest shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Note. No application to the principal balance of the Note pursuant to this Section 18.16 shall give rise to any requirement to pay any prepayment premium.

Section 18.17. Remedies of Trustor. In the event that a claim or adjudication is made that Beneficiary has acted unreasonably or unreasonably delayed acting in any case where by law or under the Note, this Deed of Trust or the Loan Documents, it has an obligation to act reasonably or promptly, Beneficiary shall not be liable for any monetary damages, and Trustor's remedies shall be limited to injunctive relief or declaratory judgment.

Section 18.18. Offsets, Counterclaims and Defenses. Any assignee of this Deed of Trust, the Assignment and the Note shall take the same free and clear of all offsets, counterclaims or defenses which are unrelated to the Note, the Assignment or this Deed of Trust which Trustor may otherwise have against any assignor of this Deed of Trust, the Assignment and the Note and no such unrelated counterclaim or defense shall be interposed or asserted by Trustor in any action or proceeding brought by any such assignee upon this Deed of Trust, the Assignment or the Note and any such right to interpose or assert any such unrelated offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Trustor.

Section 18.19. No Merger. If Trustor's and Beneficiary's estates become the same including, without limitation, upon the delivery of a deed by Trustor in lieu of a foreclosure sale, or upon a purchase of the Trust Property by Beneficiary in a foreclosure sale, 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 Beneficiary shall continue to have and enjoy all of the rights and privileges of Beneficiary as to the separate estates; and, as a consequence thereof, upon the foreclosure of the lien created by this Deed of Trust, any Leases or subleases

then existing and created by Trustor shall not be destroyed or terminated by application of the law of merger or as a result of such foreclosure unless Beneficiary or any purchaser at any such foreclosure sale shall so elect. No act by or on behalf of Beneficiary or any such purchaser shall constitute a termination of any Lease or sublease unless Beneficiary or such purchaser shall give written notice thereof to such lessee or sublessee.

Section 18.20. Restoration of Rights. In case Beneficiary shall have proceeded to enforce any right under this Deed of Trust by foreclosure sale, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely, then, in every such case, Trustor and Beneficiary shall be restored to their former positions and rights hereunder with respect to the Trust Property subject to the lien hereof.

Section 18.21. Waiver of Statute of Limitations. The pleadings of any statute of limitations as a defense to any and all obligations secured by this Deed of Trust are hereby waived to the full extent permitted by Legal Requirements.

Section 18.22. Advances. This Deed of Trust shall cover any and all advances made pursuant to the Loan Documents, rearrangements and renewals of the Debt and all extensions in the time of payment thereof, even though such advances, extensions or renewals be evidenced by new promissory notes or other instruments hereafter executed and irrespective of whether filed or recorded. Likewise, the execution of this Deed of Trust shall not impair or affect any other security which may be given to secure the payment of the Debt, and all such additional security shall be considered as cumulative. The taking of additional security, execution of partial releases of the security, or any extension of time of payment of the Debt shall not diminish the force, effect or lien of this Deed of Trust and shall not affect or impair the liability of Trustor and shall not affect or impair the liability of any maker, surety, or endorser for the payment of the Debt.

Section 18.23. Application of Default Rate Not a Waiver. Application of the Default Rate shall not be deemed to constitute a waiver of any Default or Event of Default or any rights or remedies of Beneficiary under this Deed of Trust, any other Loan Document or applicable Legal Requirements, or a consent to any extension of time for the payment or performance of any obligation with respect to which the Default Rate may be invoked.

Section 18.24. Intervening Lien. To the fullest extent permitted by law, any agreement hereafter made pursuant to this Deed of Trust shall be superior to the rights of the holder of any intervening lien.

Section 18.25. No Joint Venture or Partnership. Trustor and Beneficiary intend that the relationship created hereunder be solely that of Trustor and beneficiary or borrower and lender, as the case may be. Nothing herein is intended to create a joint venture, partnership,

tenancy-in-common, or joint tenancy relationship between Trustor and Beneficiary nor to grant Beneficiary any interest in the Trust Property other than that of beneficiary or lender.

Section 18.26. Time of the Essence. Time shall be of the essence in the performance of all obligations of Trustor hereunder.

Section 18.27. Trustor's Obligations Absolute. Trustor acknowledges that Beneficiary and/or certain Affiliates of Beneficiary are engaged in the business of financing, owning, operating, leasing, managing, and brokering real estate and in other business ventures which may be viewed as adverse to or competitive with the business, prospect, profits, operations or condition (financial or otherwise) of Trustor. Except as set forth to the contrary in the Loan Documents, all sums payable by Trustor hereunder shall be paid without notice or demand, counterclaim, set off, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Trustor hereunder shall in no way be released, discharged, or otherwise affected (except as expressly provided herein) by reason of: (a) any damage to or destruction of or any Taking of the Trust Property or any portion thereof or any collateral for the Note; (b) any restriction or prevention of or interference with any use of the Trust Property or any portion thereof or any other collateral for the Note; (c) any title defect or encumbrance or any eviction from the Premises or any portion thereof by title paramount or otherwise; (d) any bankruptcy proceeding relating to Trustor, any General Partner, or any guarantor or indemnitor, or any action taken with respect to this Deed of Trust or any other Loan Document by any trustee or receiver of Trustor or any obligor under any of the Other Deeds of Trust or any such General Partner, guarantor or indemnitor, or by any court, in any such proceeding; (e) any claim which Trustor has or might have against Beneficiary; (f) any default or failure on the part of Beneficiary to perform or comply with any of the terms hereof or of any other agreement with Trustor or any other obligor; or (g) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Trustor shall have notice or knowledge of any of the foregoing.

Section 18.28. Publicity. All promotional news releases, publicity or advertising by Manager, Trustor or their respective Affiliates through any media intended to reach the general public shall not refer to the Loan Documents or the financing evidenced by the Loan Documents, or to Beneficiary or to J.P. Morgan or to any of their Affiliates without the prior written approval of Beneficiary or such Affiliate, as applicable, in each instance, such approval not to be unreasonably withheld or delayed. Beneficiary shall be authorized to provide information relating to the Trust Property, the Loan and matters relating thereto to rating agencies, underwriters, potential securities investors, auditors, regulatory authorities and to any Persons which may be entitled to such information by operation of law.

Section 18.29. INTENTIONALLY OMITTED

Section 18.30. Cooperation with Rating Agencies. Trustor covenants and agrees that in the event the Loan is to be included as an asset of a Securitization, Trustor shall (a) gather any environmental information reasonably required by the Rating Agency in connection with such a Securitization, (b) at Beneficiary's request, meet with representatives of the Rating Agency to discuss the business and operations of the Trust Property, and (c) cooperate with the reasonable requests of the Rating Agency and Beneficiary in connection with all of the foregoing and the preparation of any offering documents with respect thereof.

Section 18.31. Securitization Financials. Trustor covenants and agrees that, upon Beneficiary's written request therefor in connection with a Securitization in which the Loan is to be included as an asset, Trustor shall, at Trustor's sole cost and expense, promptly deliver audited financial statements and related documentation prepared by an Independent certified public accountant that satisfy securities laws and requirements for use in a public registration statement (which may include up to three (3) years of historical audited financial statements to the extent available).

Section 18.32. Additional Waivers. Trustor acknowledges that pursuant to the Loan Agreement, Trustor has agreed to provide certain collateral and to perform certain obligations on the behalf of Other Borrowers (collectively with such Other Borrowers, the "Trustor Parties") for the benefit of Beneficiary with respect to the Loan, and that to the extent that Trustor constitutes a guarantor, it shall nevertheless be fully responsible for the obligations secured by this Deed of Trust, subject to the limitations of liability expressly set forth herein (and Trustor hereby waives any claim to the contrary). In addition, and without limitation on the foregoing waiver or any other waivers contained in this Deed of Trust:

(a) Obligations Absolute. Trustor (but only to the extent Trustor constitutes a guarantor hereunder) hereby unconditionally waives any defense to the enforcement of this Deed of Trust based on the characterization of Trustor as a guarantor and without limitation, the obligations of Trustor hereunder shall remain in full force and effect without regard to, and shall not be affected or impaired by the following, any of which may be taken without the consent of, or notice to, Trustor, nor shall any of the following give Trustor any recourse, defense or right of action against Beneficiary:

(i) Any express or implied amendment, modification, renewal, addition, supplement, assumption, extension (including extensions beyond the original term) or acceleration of or to any of the Loan Documents;

(ii) Any exercise or non-exercise by Beneficiary of any right or privilege under the Loan Documents;

(iii) Any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Trustor or any Trustor

Party, or any guarantor (which term shall include any other party at any time directly or contingently liable for any of Trustor's obligations under the Loan Documents) or any affiliate of any Trustor Party, or any action taken with respect to the Loan Documents by any trustee or receiver, or by any court, in any such proceeding, whether or not such Trustor Party shall have had notice or knowledge of any of the foregoing;

(iv) Any release or discharge of any Trustor Party from its liability under any of the Loan Documents or any release or discharge of any endorser or guarantor or of any other party at any time directly or contingently liable for the obligations secured by this Deed of Trust;

(v) Any subordination, compromise, release (by operation of law or otherwise), discharge, compound, collection, or liquidation of any or all of the collateral described herein or other collateral described in any of the Loan Documents or otherwise in any manner, or any substitution with respect thereto;

(vi) Any assignment or other transfer of any of the Loan Documents;

(vii) Any acceptance of partial performance of the obligations;

(viii) Any transfer or consent to the transfer of the collateral described herein or any portion thereof or any other collateral described in the Loan Documents or otherwise (by one or more of the Trustor Parties); and

(ix) Any bid or purchase at any sale of the collateral described herein or any other collateral described in the Loan Documents or otherwise.

(b) Waivers. Without limitation on any waivers otherwise contained in this Deed of Trust, Trustor (but only to the extent such Trustor constitutes a guarantor hereunder) unconditionally waives any defense to the enforcement of this Deed of Trust, including:

(i) All presentments, demands for performance, notices of nonperformance, protests, notices of protest, notices of dishonor, and notices of acceptance of this Deed of Trust;

(ii) Any right to require Beneficiary to proceed against any other Trustor Party or any guarantor at any time or to proceed against or exhaust any security held by Beneficiary at any time or to pursue any other remedy whatsoever at any time;

(iii) The defense of any statute of limitations affecting the liability of Trustor hereunder, the liability of any other Trustor Party or any guarantor under the Loan Documents, or the enforcement hereof, to the extent permitted by law;

(iv) Any defense arising by reason of any invalidity or unenforceability of (or any limitation of liability in) any of the Loan Documents or any disability of any Trustor Party or any guarantor or of any manner in which Beneficiary has exercised its rights and remedies under the Loan Documents, or by any cessation from any cause whatsoever of the liability of any Trustor Party or any guarantor;

(v) Without limitation on clause (iv) above of this subsection (b) or clause (iv) of subsection (a) above, any defense based upon any lack of authority of the officers, directors, partners or agents acting or purporting to act on behalf of any Trustor Party or any principal of any Trustor Party or any defect in the formation of any Trustor Party or any principal of any Trustor Party;

(vi) Any defense based upon the application by any Trustor Party of the proceeds of the Loan for purposes other than the purposes represented by such Trustor Party to Beneficiary or intended or understood by Beneficiary or such Trustor Party;

(vii) Any defense based upon an election of remedies by Beneficiary, including any election to proceed by judicial or nonjudicial foreclosure of any security, whether real property or personal property security, or by deed in lieu thereof, and whether or not every aspect of any foreclosure sale is commercially reasonable, or any election of remedies, including remedies relating to real property or personal property security, which destroys or otherwise impairs the subrogation rights of Trustor or the rights of Trustor to proceed against any other Trustor Party or any guarantor for reimbursement, or both;

(viii) Any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in any other aspects more burdensome than that of a principal;

(ix) Any defense based upon Beneficiary's election, in any proceeding instituted under the Federal Bankruptcy Code, of the application of Section 1111(b)(2) of the Federal Bankruptcy Code or any successor statute;

(x) Any defense based upon any borrowing or any grant of a security interest under Section 364 of the Federal Bankruptcy Code;

(xi) Any duty of Beneficiary to advise Trustor of any information known to Beneficiary regarding the financial condition of any other Trustor Party and all other circumstances affecting any other Trustor Party's ability to perform its obligations to Beneficiary, it being agreed that Trustor assumes the responsibility for being and keeping informed regarding such condition or any such circumstances; and

(xii) Any right of subrogation, reimbursement, exoneration, contribution or indemnity, or any right to enforce any remedy which Beneficiary now has or may hereafter have against any other Trustor Party or any benefit of, or any right to participate in, any security now or hereafter held by Beneficiary.

(c) Subrogation. Trustor understands that the exercise by Beneficiary of certain rights and remedies may affect or eliminate Trustor's right of subrogation against any other Trustor Party or any guarantor and that Trustor may therefore incur partially or totally nonreimbursable liability hereunder. Nevertheless, Trustor hereby authorizes and empowers Beneficiary, its successors, endorsees and assigns, to exercise in its or their sole discretion, any rights and remedies, or any combination thereof, which may then be available, it being the purpose and intent of Trustor that the obligations hereunder shall be absolute, continuing, independent and unconditional under any and all circumstances. Notwithstanding any other provision of this Deed of Trust to the contrary, Trustor hereby waives and releases any claim or other rights which Trustor may now have or hereafter acquire against any other Trustor Party or any guarantor of all or any of the obligations of Trustor hereunder that arise from the existence or performance of Trustor's obligations under this Deed of Trust or any of the other Loan Documents, including any right of subrogation, reimbursement, exoneration, contribution or indemnification, any right to participate in any claim or remedy of Beneficiary against any other Trustor Party or any collateral which Beneficiary now has or hereafter acquires, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, by any payment made hereunder or otherwise, including, without limitation, the right to take or receive from any other Trustor Party, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such claim or other rights. Without limitation on the generality of the other waivers contained in this Deed of Trust, Trustor hereby waives all rights and defenses arising out of an election of remedies by the creditor, even though that election of remedies may destroy the guarantor's rights of subrogation and reimbursement against the principal. In addition, Trustor waives all rights and defenses that Trustor may have because the debtor's debt is secured by real property. This means, among other things:

(1) The creditor may collect from the guarantor without first foreclosing on any real or personal property collateral pledged by the debtor.

(2) If the creditor forecloses on any real property collateral pledged by the debtor: (A) the amount of the debt may be reduced only by the price for which the collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; and (B) the creditor may collect from the guarantor even if the creditor, by foreclosing on the real property collateral, has destroyed any right the guarantor may have to collect from the debtor. This is an unconditional and irrevocable waiver of any rights and defenses the guarantor may have because the debtor's debt is secured by real property.

(d) Additional Waivers. Trustor shall not be released or discharged, either in whole or in part, by Beneficiary's failure or delay to (i) perfect or continue the perfection of any lien or security interest in any collateral which secures the obligations of any other Trustor Party, Trustor, or any guarantor, or (ii) protect the property covered by such lien or security interest.

(e) Independent Obligations. The obligation of Trustor hereunder are independent of the obligation of any other Trustor Party and, in the event of any default hereunder, a separate action or actions may be brought and prosecuted against Trustor whether or not Trustor is the alter ego of any other Trustor Party and whether or not any other Trustor Party is joined therein or a separate action or actions are brought against any other Trustor Party. Beneficiary's rights hereunder shall not be exhausted until all of the obligations secured by this Deed of Trust have been fully paid and performed.

(f) Subordination. Without limitation on the waiver and release contained in subsection (c) above:

(i) Trustor subordinates all present and future indebtedness owing by any other Trustor Party to Trustor to the obligations at any time owing by any other Trustor Party to Beneficiary under the Note and the other Loan Documents. Trustor assigns all such indebtedness to Beneficiary as security for this Deed of Trust, the Note and the other Loan Documents.

(ii) Trustor agrees to make no claim on such indebtedness until all obligations of any other Trustor Party under the Note and the other Loan Documents have been fully discharged.

(iii) Trustor further agrees not to assign all or any part of such indebtedness unless Beneficiary is given prior notice and such assignment is expressly made subject to the terms of this Deed of Trust. If Beneficiary so requests, (A) all instruments evidencing such indebtedness shall be duly endorsed and delivered to Beneficiary, (B) all security for such indebtedness shall be duly assigned and delivered to Beneficiary, (C) such indebtedness shall be enforced, collected and held by Trustor as trustee for Beneficiary and shall be paid over to Beneficiary on account of the Loan but without reducing or affecting in any manner the liability of Trustor under the other provisions of this Deed of Trust, and (D) Trustor shall execute, file and record such documents and instruments and take such other action as Beneficiary deems necessary or appropriate to perfect, preserve and enforce Beneficiary's rights in and to such indebtedness and any security therefor. If Trustor fails to take any such action, Beneficiary, as attorney-in-fact for Trustor, is hereby authorized to do so in the name of Trustor. The foregoing power of attorney is coupled with an interest and cannot be revoked.

(g) Bankruptcy No Discharge; Repayments. So long as any of the obligations guaranteed hereunder shall be owing to Beneficiary, Trustor shall not, without the prior written consent of Beneficiary, commence or join with any other party in commencing any bankruptcy, reorganization or insolvency proceedings of or against any other Trustor Party. Trustor understands and acknowledges that by virtue of this Deed of Trust, it has specifically assumed any and all risks of a bankruptcy or reorganization case or proceeding with respect to any other Trustor Party. As an example and not in any way of limitation, a subsequent modification of the obligations secured by this Deed of Trust in any reorganization case concerning any other Trustor Party shall not affect the obligation of Trustor to pay and perform the obligations secured by this Deed of Trust in accordance with its original terms. In any bankruptcy or other proceeding in which the filing of claims is required by law, Trustor shall file all claims which Trustor may have against any other Trustor Party relating to any indebtedness of any other Trustor Party to Trustor and shall assign to Beneficiary all rights of Trustor thereunder. If Trustor does not file any such claim, Beneficiary, as attorney-in-fact for Trustor, is hereby authorized to do so in the name of Trustor or, in Beneficiary's discretion, to assign the claim to a nominee and to cause proof of claim to be filed in the name of Beneficiary's nominee. The foregoing power of attorney is coupled with an interest and cannot be revoked. Beneficiary or its nominee shall have the right, in its reasonable discretion, to accept or reject any plan proposed in such proceeding and to take any other action which a party filing a claim is entitled to do. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to Beneficiary the amount payable on such claim and, to the full extent necessary for that purpose, Trustor hereby assigns to Beneficiary all of Trustor's rights to any such payments or distributions; provided, however, Trustor's obligations hereunder shall not be satisfied except to the extent that Beneficiary receives cash by reason of any such payment or distribution. If Beneficiary receives anything hereunder other than cash, the same shall be held as collateral for amounts due under this Deed of Trust. Notwithstanding anything to the contrary herein, the liability of Trustor hereunder shall be reinstated and revised, and the rights of Beneficiary shall continue, with respect to any amount at any time paid by or on behalf of any Trustor Party on account of the Note or the other Loan Documents which Beneficiary shall restore or return by reason of the bankruptcy, insolvency or reorganization of any Trustor Party or for any other reasons, all as though such amount had not been paid.

Section 18.33. Concerning the Deed Trustee. Deed Trustee shall be under no duty to take any action hereunder except as expressly required hereunder or by law, or to perform any act which would involve Deed Trustee in any expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to Deed Trustee's reasonable satisfaction. Deed Trustee, by acceptance of this Deed of Trust, covenants to perform and fulfill the trusts herein created, being liable, however, only for gross negligence or willful misconduct, and hereby waives any statutory fee and agrees to accept reasonable compensation, in lieu thereof, for any services rendered by Deed Trustee in accordance with the terms hereof. Deed Trustee may resign at any time by written instrument to that effect delivered to Beneficiary.

Beneficiary may remove Deed Trustee at any time or from time to time and select a successor trustee. In the event of the death, removal, resignation, refusal to act, or inability to act of Deed Trustee, or in its sole discretion for any reason whatsoever Beneficiary may, without notice and without specifying any reasons therefor and without applying to any court, select and appoint a successor trustee, by an instrument recorded wherever this Deed of Trust is recorded, and all powers, rights, duties and authority of Deed Trustee, as aforesaid, shall thereupon become vested in such successor. Such substitute trustee shall not be required to give bond for the faithful performance of the duties of Deed Trustee hereunder unless required by Beneficiary. The procedure provided for in this Section 18.33 for substitution of Deed Trustee shall be in addition to and not in exclusion of any other provisions for substitution, by law or otherwise.

Section 18.34. Deed Trustee's Fees. Trustor shall pay all reasonable costs, fees and expenses incurred by Deed Trustee and Deed Trustee's agents and counsel in connection with the performance by Deed Trustee of Deed Trustee's duties hereunder, and all such reasonable costs, fees and expenses shall be secured by this Deed of Trust.

Section 18.35 Limitation on Liability. Notwithstanding anything herein or in any other Loan Documents to the contrary, but subject to the qualifications below, Beneficiary and Trustor agree that:

(a) In the event of a foreclosure of any liens, security titles, estates, assignments, rights or security interests, securing the payment of the Note and/or the obligations of any Trustor under the Loan Documents, no personal liability upon any of the indebtedness secured hereby shall be sought or obtained by Beneficiary against any of the members, partners, officers, employees, or agents or advisors of Trustor (including, without limitation, Trustor's manager or its members) (each a "Constituent Party" and collectively, the "Constituent Parties"), and no attachment, execution or other writ or process shall ever be sought, issued or levied upon any assets, properties or funds of any of the Constituent Parties, provided, however, that the Debt shall remain fully recourse to Trustor and each of the Other Borrowers and the foregoing provisions shall not limit Beneficiary's right to seek, obtain and enforce a deficiency judgment or personal judgment against Trustor and/or any or all of the Other Borrowers.

(b) The provisions of this Section 18.35 shall not (i) constitute a waiver, release or impairment of any obligation evidenced or secured by the Note, this Deed of Trust, the Other Deeds of Trust or the other Loan Documents; (ii) impair the right of Beneficiary to name any of the Constituent Parties as a party defendant in any action or suit for judicial foreclosure and sale under this Deed of Trust to the extent required by or desirable under applicable law; (iii) affect the validity or enforceability of any indemnity, guaranty, master lease or similar instrument made in connection with this Note, this Deed of Trust, the Other Deeds of Trust, or the other Loan Documents; (iv) impair the right of Beneficiary to obtain the appointment of a receiver; or (v) impair the right of Beneficiary to seek, obtain and enforce a deficiency judgment or personal

judgment on the Note or any other Loan Document against Trustor and/or any or all of the Other Borrowers.

(c) Notwithstanding the provisions of this Section to the contrary, each Constituent Party shall be personally liable to Beneficiary for any losses it incurs due to: (i) the misapplication or misappropriation of Rents by such Constituent Party contrary to the provisions of any of the Loan Documents; (ii) the misapplication or misappropriation of insurance proceeds or condemnation awards by such Constituent Party contrary to the provisions of this Deed of Trust; or (iii) fraud, willful misconduct or material misrepresentation by such Constituent Party.

Section 18.36. Multi-State Provisions. Trustor hereby acknowledges that Beneficiary is extending credit to Trustor and the Other Borrowers from time to time based upon both the financial statements of Trustor and the Other Borrowers and the aggregate values of (a) the real and personal property constituting the Trust Property and (b) the real and personal property comprising the Other Properties. Trustor further acknowledges that the Trust Property and the Other Properties may be located in different jurisdictions. Accordingly, Trustor hereby agrees that, from and after the occurrence of any Event of Default, Beneficiary shall be allowed, to the greatest extent permitted by applicable law, subject to the provisions of Section 18.35 hereof, and by the laws of whichever jurisdictions Beneficiary may choose as most facilitating for the exercise of its rights, to pursue and realize upon all of the remedies available to it under any of the Loan Documents, at law, in equity, or otherwise and simultaneously or consecutively, in its discretion, including, without limitation, commencement of one or more actions in one or more jurisdictions for repayment of all or portions of the Debt; for the obtaining of judgments; for the seeking of injunctive relief; and for maximum access to and realization from the Trust Property and the Other Properties or portions thereof in such order and in such manner as Beneficiary may deem in its interest; provided, however, that the aggregate amount that Beneficiary may recover shall not exceed the total amount of the Debt. Trustor hereby waives any requirement that any mortgage foreclosure or similar proceeding or any deficiency judgment proceeding be initiated or completed with respect to any of the Other Properties as a condition to the commencement of any enforcement proceeding against Trustor or the Trust Property or any part thereof. Trustor hereby expressly acknowledges and agrees that the consents, waivers and agreements set forth in this Deed of Trust and other Loan Documents were granted in recognition of the foregoing and that all such waivers, consents and agreements shall be construed as liberally as the law shall allow to refer not only to actions that may or may not be taken in respect of the Trust Property, but also to actions that may or may not be taken in respect of the Other Properties. Trustor hereby waives the benefits of any "one-action rule" of any state that may be applicable to it or to any of the Trust Property to the extent such benefits may legally be waived and waives marshaling of assets for itself and all other parties claiming by, through or under it.

Section 18.37. Certain Matters Relating to Trust Property Located in the State of Nevada. With respect to the Trust Property which is located in the State of Nevada, notwithstanding anything contained herein to the contrary:

(a) That Guaranty by Vicky Schiff and StorAmerica Management, LLC, dated as of July 31, 1998, is not secured by this Deed of Trust.

(b) To secure the payment to Beneficiary of the Debt at the time and in the manner provided for its payment in the Note, Trustor does hereby irrevocably grant, bargain, sell, alien, demise, release, convey, assign, transfer, deed, hypothecate, pledge, set over, warrant, mortgage and confirm unto the Deed Trustee, forever, in trust with power of sale, all of the Trust Property constituting real property.

(c) The following is added at the end of Section 13.01:

All notice and cure periods provided herein or in the Loan Documents shall run concurrently with any notice or cure periods provided by law. Without limiting the foregoing, Beneficiary or Deed Trustee shall be entitled to cause a notice of breach and election to sell to be recorded and mailed if any event occurs which, with the giving of notice and/or passage of time, would constitute an Event of Default or would entitle Beneficiary to accelerate the indebtedness secured hereby and the recording and mailing to Trustor of such notice of breach and election to sell shall constitute notice of the failure to perform pursuant hereto or thereto. The foregoing shall not be deemed to limit, modify or impair any rights of Trustor to receive notices and/or any applicable cure periods expressly provided in this Deed of Trust.

(d) There is added to Section 13.02 a new subsection (h) which shall read as follows:

(h) Deed Trustee shall sell any property advertised for sale as provided above or any part thereof or interest therein either as a whole or in separate parcels, as Beneficiary may determine in its sole and absolute discretion.

(e) The following is added at the end of Section 13.08:

All funds advanced by Beneficiary pursuant to this Section 13.08 or any other provision of this Deed of Trust for the performance of any obligation of Trustor or to protect Beneficiary's security shall be deemed obligatory advances regardless of the Person to whom such funds are furnished.

(f) Beneficiary's knowledge of any Environmental Problem which is the basis for a claim for indemnification under Section 16.02 shall in no way limit Beneficiary's rights under such Section with respect to such Environmental Problem.

- (g) Any other provision of Section 18.13 of this Deed of Trust to the contrary notwithstanding, the laws of the State of Nevada shall only govern the enforcement and foreclosure of the liens and security interests created hereunder to the extent required by such laws.
- (h) Where not inconsistent with the above, the following covenants, Nos. 1; 3; 4 (Default Rate); 5; 6; 7 (a reasonable percentage); 8 and 9 of Nevada Revised Statutes 107.030 are hereby adopted and made a part of this Deed of Trust.

COPY

IN WITNESS WHEREOF, Trustor has duly executed this Deed of Trust the day and year first above written.

**GARDNERVILLE STORAGE ASSOCIATES,
LLC**, a Nevada limited liability
company

By: **MJS ASSOCIATES LLC**, a Nevada limited
liability company, its Manager

By: *Vicky L. Schiff*
Name: **Vicky L. Schiff**
Title: **Manager**

STATE OF CALIFORNIA)
) ss.
COUNTY OF Los Angeles)

On Aug 19, 1998, before me, Barbara J. Jurgens personally appeared Vicky L. Schiff, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity(ies), and that by his/her signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Barbara J. Jurgens
Notary Public



EXHIBIT "A"
DESCRIPTION

All that certain lot, piece, parcel or portion of land situate, lying and being within the Southwest 1/4 of Section 3, Township 12 North, Range 20 East, M.D.B & M., Douglas County, Nevada, and more particularly described as follows:

Parcel 2 as shown on the Parcel Map for Harry Tedsen filed for record in book 990 at Page 244 as Document Number 233931, Official Records of Douglas County, Nevada.

Together with Lots 9 and 10 in Block "A" as shown on the Official Map of Southgate Service Park Two, filed for record in Book 492 at Page 182 as Document Number 274729, Official Records of Douglas County, Nevada.

A.P.N. 1220-03-412-011 (Old A.P.N. 25-683-20)

COOPER

0447492

BK0898PG4304

EXHIBIT B

Ground Leases-None

COPY

REQUESTED BY
WESTERN TITLE COMPANY, INC.
IN OFFICIAL RECORDS OF
DOUGLAS CO., NEVADA

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LINDA SLATER
RECORDER
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