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Cook County Recorder 96.50

Prepared By +

After recording, return to:

U.S. Bank National Association
1420 Fifth Avenue
Seattle, Washington 98101
Attn: Derek Watanabe



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**DEED OF TRUST, ASSIGNMENT OF RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(Illinois)**

THIS DEED OF TRUST, ASSIGNMENT OF RENTS, SECURITY AGREEMENT AND FIXTURE FILING (the "Instrument") is dated as of Mar 28, 2003, and is made by SCHAUMBURG LAND COMPANY, L.L.C., a Washington limited liability company, as grantor, whose address is 10013 59th Avenue SW, Lakewood, WA 98499 ("Grantor"), to CHICAGO TITLE INSURANCE COMPANY, a Missouri corporation, as trustee, whose address is 701 Fifth Avenue, Suite 1800, Seattle, Washington 98104 (the "Trustee"), for the benefit of U. S. BANK NATIONAL ASSOCIATION, as agent (in such capacity, herein called the "Secured Party") for and representative of the financial institutions ("Lenders") party to that certain credit agreement dated as of May 5, 2000 (said credit agreement, as it may hereafter be amended, supplemented or otherwise modified from time to time, being the "Credit Agreement") with RAM INTERNATIONAL HOLDING CO., L.L.C., a Washington limited liability company as Debtor ("Debtor"). Secured Party's and Lender's obligations under the Credit Agreement are conditioned upon Secured Party's obtaining this Deed of Trust. The address of Secured Party is 1420 Fifth Avenue, Post Office Box 720, Seattle, Washington 98111-0720. Unless otherwise stated, terms used herein without definition shall have the meanings ascribed thereto in the Credit Agreement.

PORTIONS OF THE COLLATERAL ARE GOODS WHICH ARE OR ARE TO BECOME AFFIXED TO OR FIXTURES ON THE LAND DESCRIBED IN OR REFERRED TO IN EXHIBIT A HERETO. THIS FINANCING STATEMENT IS TO BE FILED FOR RECORD OR RECORDED, AMONG OTHER PLACES, IN THE REAL ESTATE RECORDS OF EACH COUNTY (OR, TO THE EXTENT SIMILAR RECORDS ARE MAINTAINED AT THE CITY OR TOWN LEVEL INSTEAD OF THE COUNTY LEVEL, EACH SUCH CITY OR TOWN) IN WHICH SAID LAND OR ANY PORTION THEREOF IS LOCATED.

GRANTOR IS THE OWNER OF RECORD INTEREST IN THE REAL ESTATE CONCERNED.

This Deed of Trust secures a maximum aggregate principal amount of \$35,000,000.

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All of the property described under paragraphs 1 through 12 below is herein collectively called the "Collateral":

(1) The real property described on Exhibit A, and all rights, hereditaments, privileges and appurtenances now or hereafter belonging or in any way appertaining to such real property ("Land");

(2) All of Grantor's right, title and interest in and to any and all buildings, constructions and improvements now or hereafter erected in or on the Land, including, but not limited to, those attachments, appliances, equipment, machinery, and other articles which are attached to said buildings, constructions and improvements (collectively, the "Improvements"; the Improvements and the Land are collectively referred to herein as the "Premises"), all of which shall be deemed and construed to be a part of the realty;

(3) All right, title and interest of Grantor in and to all of the items incorporated as part of or attributed or affixed to any of the Premises or other real property included in the Collateral or any other interest of Grantor, whether now owned or hereafter acquired, in, to or relating to the Premises or such other real property, in such a manner that such items constitute real property under the law of the state where the property is situate;

(4) All personal property (other than inventory), including, without limitation, all supplies, equipment, tools, furniture, furnishings, fixtures, machinery and construction materials which Grantor now or hereafter owns or in which Grantor now or hereafter acquires an interest or right and which are now or hereafter located on or affixed to the Premises or used or useful in the operation, use or occupancy thereof (including, without limitation, in connection with the restaurant business conducted thereon by or on behalf of Grantor) or the construction of any improvements thereon and which are or may hereafter become fixtures, including, without limitation, any interest of Grantor in and to personal property which is leased or subject to any superior security interest, and all equipment related to any of the foregoing, all racking and shelving systems, all heating, lighting, plumbing, ventilating, air conditioning, refrigerating, incinerating and/or compacting plants, systems, fixtures and equipment, elevators, escalators, stoves, ranges, vacuum, window washing and other cleaning and building service systems, call systems, sprinkler systems and other fire prevention and extinguishing apparatus and materials, motors, machinery, pipes, ducts, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, tanks, appliances and garbage and pest control systems (collectively, the "Fixtures");

(5) All rents, issues, profits, royalties, income and other benefits (collectively, the "Rents") derived by Grantor from the Premises or the Improvements or any other portion of the Collateral or from any leases, subleases or licenses of, or any concessions, franchises or similar agreements with respect to, the Premises or any other portion of the Collateral, whether now or hereafter existing (which together with any amendments, modifications, extensions, renewals or substitutions thereto or therefor are collectively referred to as the

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“Leases (Grantor Lessor)”), and all right, title and interest of Grantor as lessor in and to the Leases (Grantor Lessor), or subject to the rights, powers and authorities hereinafter given to Secured Party and Grantor as set forth in Article III hereof;

(6) All rights, titles, interests, estates or other claims, both in law and in equity, which Grantor now has or may hereafter acquire in the Premises or in and to any greater estate in the Premises;

(7) All easements, rights-of-way and rights now owned or hereafter acquired by Grantor used in connection with the foregoing described Collateral or as a means of access thereto, including, without limiting the generality of the foregoing, all rights pursuant to any trackage agreement and all rights to the non-exclusive use of common drive entries, and all tenements, hereditaments and appurtenances thereof and thereto, and all water and water rights (whether riparian, appropriative, ground water, drilling rights, well rights, water development rights or otherwise, and whether or not appurtenant) and shares of stock evidencing the same;

(8) All leasehold estates, rights, titles and interests of Grantor as lessee in and to all leases, subleases, licenses, concessions, franchises or similar agreements covering the Premises, or any portion thereof, now or hereafter existing or entered into (which, together with any amendments, modifications, extensions, renewals or substitutions are collectively referred to as the “Leases (Grantor Lessee),” and all right, title and interest of Grantor thereunder, including, without limitation, all cash or security deposits, advance rentals, refunds, and deposits or payments of similar nature;

(9) All right, title and interest now owned or hereafter acquired by Grantor in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Premises, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Premises;

(10) All rights and interests of Grantor in, to and under all plans, specifications, maps, surveys, studies, reports, permits, licenses, architectural, engineering and construction contracts, books of account, insurance policies and other documents, of whatever kind or character, whether now or hereafter existing, relating to use, construction upon, occupancy, leasing, sale or operation of the Premises;

(11) All of the estate, interest, right, title, other claim or demand, both in law and in equity, and except as otherwise provided herein, claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Grantor now has or may hereafter acquire in the Premises or other portions of the Collateral and, except as otherwise provided herein, other proceeds from sale or disposition of the Collateral which Grantor now has or may hereafter acquire and awards made for any damages relating to the Collateral or for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or

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any part of the Collateral, including, without limitation, any award resulting from a change of grade of streets and any award for severance damages; and

(12) All existing and future corrections, modifications, supplements or amendments to, or renewals, extensions or ratification of, or replacements or substitutions for, or accessions, additions or attachments to, or proceeds of, any of the foregoing, and all privileges and appurtenances thereunto belonging.

IN CONSIDERATION of the sum of ten dollars (\$10.00) in hand paid by Secured Party and Lenders to Grantor and Debtor, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Grantor hereby irrevocably

(A) grants, bargains, sells, mortgages, assigns, transfers, conveys, pledges and sets over to Trustee with power of sale in trust for the benefit of Secured Party for the benefit of Lenders, those portions of the Collateral that constitute real property (including, without limitation, the Land and Improvements) under the laws of the State wherein located (the "Real Property Collateral"), but subject to the rights of Secured Party under the assignment made in paragraph C below, TO HAVE AND TO HOLD the Real Property Collateral, to Trustee and its successors and assigns forever, in trust, subject to all of the terms, conditions, covenants and agreements herein set forth, for the security and benefit of Secured Party and Lenders and their respective successors and assigns as holders of the Secured Instruments (as hereinafter defined) or any other Secured Obligations (as hereinafter defined); and

(B) grants a security interest to Secured Party for the benefit of Lenders in those portions of the Collateral that either are Fixtures or are not Real Property Collateral; and

(C) assigns and transfers to Secured Party for the benefit of Lenders all of the Rents and other benefits derived from any Leases (Grantor Lessor), whether now existing or hereafter created.

The real property interest conveyed hereby is not used principally for agricultural or farming purposes. The fixtures are not used or bought for personal, family or household purposes.

IN FURTHERANCE OF THE FOREGOING GRANTS (INCLUDING GRANTS OF SECURITY INTERESTS), BARGAINS, SALES, MORTGAGES, ASSIGNMENTS, TRANSFERS, CONVEYANCES, AND PLEDGES, AND TO PROTECT THE PREMISES AND THE SECURITY GRANTED BY THIS INSTRUMENT, GRANTOR HEREBY WARRANTS, REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

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ARTICLE I. SECURED OBLIGATIONS

1.1 Secured Obligations

This Instrument is executed, acknowledged and delivered by Grantor to secure the following obligations (all such obligations, the "Secured Obligations"):

(a) prompt payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including the payment of amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), of all obligations and liabilities of every nature of Grantor and Debtor now or hereafter existing under or arising out of or in connection with the Credit Agreement and the other Loan Documents (as defined in the Credit Agreement) and all extensions or renewals thereof, whether for principal, interest (including without limitation interest that, but for the filing of a petition in bankruptcy with respect to Grantor or Debtor, would accrue on such obligations), reimbursement of amounts drawn under letters of credit, fees, prepayment fees, expenses, indemnities or otherwise, whether voluntary or involuntary, direct or indirect, absolute or contingent, liquidated or unliquidated, whether or not jointly owed with others, and whether or not from time to time decreased or extinguished and later increased, created or incurred, and all or any portion of such obligations or liabilities that are paid, to the extent all or any part of such payment is avoided or recovered directly or indirectly from Secured Party or any Lender as a preference, fraudulent transfer or otherwise;

(b) payment of all obligations of Grantor and Debtor for fees, reasonable costs and reasonable expenses (including reasonable attorney fees and paralegal fees) under this Instrument and the other Financing Documents (as hereinafter defined);

(c) payment of all sums advanced by Secured Party, Lenders or Trustee to protect the Collateral, with interest thereon at a rate (the "Agreed Rate") which is 4% per annum in excess of the interest rate otherwise payable under the Credit Agreement for Prime Rate Loans (as defined in the Credit Agreement);

(d) payment of all sums advanced and reasonable costs and reasonable expenses incurred by Secured Party, Lenders, or Trustee in connection with the Secured Obligations or any part thereof, any renewal, extension or change of or substitution for the Secured Obligations or any part thereof, or the acquisition or perfection of the security therefor, whether such advances, costs and expenses were made or incurred at the request of Grantor or Debtor, any Loan Party (as such term is defined in the Credit Agreement) or Secured Party or Trustee;

(e) payment and performance of every obligation, covenant and agreement of Grantor and Debtor contained in this Instrument or in any agreement now or hereafter

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executed by Grantor and Debtor which recites that the obligations thereunder are secured by this Instrument; and

(f) all renewals, extensions, amendments, amendments and restatements, and changes of, or substitutions or replacements for, all or any part of the items described under paragraphs (a) through (e) above.

This Instrument secures, inter alia, future and/or revolving credit advances and readvances to the same extent as if such advances or readvances were made on the date hereof whether or not (a) any advances or readvances were made on the date hereof and (b) any indebtedness is outstanding at the time any advance or readvance is made.

1.2 Secured Instruments/Financing Documents

The Notes, Credit Agreement, and/or any other instruments which create and/or evidence the Secured Obligations are sometimes collectively referred to herein as the "Secured Instruments." This Instrument, the Secured Instruments, any other Loan Documents and any other deed of trust, mortgage, security agreement, deed to secure debt, collateral mortgage, chattel mortgage, pledge, act of pledge, act of mortgage, act of collateral mortgage, agreement, guaranty, assignment of rents or leases or other instrument given to evidence, secure or facilitate the payment and performance of any of the Secured Obligations may hereinafter be collectively referred to as the "Financing Documents."

ARTICLE II. COVENANTS AND AGREEMENTS OF GRANTOR

2.1 Payment of Secured Obligations

Grantor and Debtor shall perform the Secured Obligations and shall pay when due the Secured Obligations, including without limitation, the principal of and the interest on, the indebtedness evidenced by the Secured Instruments (including, without limitation, (a) amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a), and (b) interest that, but for the filing of a petition in bankruptcy with respect to Grantor or Debtor, would accrue on such obligations, whether or not a claim is allowed against Grantor or Debtor for such interest in any bankruptcy proceeding); all charges, fees (including early termination fees) and other sums to be paid by Grantor or Debtor as provided in any Financing Document; the principal of and interest on any future advances under any Financing Document secured by this Instrument; and the principal of and interest on any other indebtedness secured by this Instrument.

2.2 Maintenance, Repair, Alterations

Grantor (i) will maintain or cause to be maintained in good repair, working order and condition (subject to reasonable wear and tear), all Collateral; (ii) shall not remove, demolish

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or structurally alter any of the Improvements except as permitted by the Credit Agreement or upon the prior written consent of Secured Party; (iii) shall complete promptly and in a good and workmanlike manner any Improvements which may be now or hereafter constructed on the Premises and promptly restore (except as and to the extent permitted by the Credit Agreement in like manner any portion of the Improvements which may be damaged or destroyed thereon from any cause whatsoever, and pay when due all claims for labor performed and materials furnished therefor; (iv) shall comply with all laws, statutes, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Collateral or any part thereof or requiring any alterations or improvements; (v) shall not commit, or permit, any waste, impairment or deterioration of the Collateral; (vi) shall comply with the provisions of any Lease (Grantor Lessee); (vii) shall not commit, suffer or permit any act to be done in or upon the Collateral in violation of any law, ordinance, regulation or order of any governmental authority, now or hereafter affecting the Collateral or any part thereof, whether foreseen or unforeseen; and (viii) shall not commit, suffer or permit any violation of any covenants, conditions or restrictions affecting any part of the Collateral.

2.3 Required Insurance

Grantor shall, at its own expense, at all times provide, maintain, and keep in full force, or cause to be provided, maintained or kept in full force, policies of insurance for the Premises in form and amounts, and issued by companies, associations or organizations reasonably satisfactory to Secured Party, covering such casualties, risks, perils, liabilities and other hazards as Secured Party reasonably requires. In the event that the area in which the Land is located is designated as "flood prone" or a "flood risk area," as defined by the Flood Disaster Protection Act of 1973 (42 U.S.C. § 4121), as amended from time to time, then (i) if the Land is located in a community that participates in the National Flood Insurance Program, Grantor shall at all times maintain flood insurance in an amount equal to the replacement value of the Improvements and the Fixtures or the maximum amount of flood insurance available under the National Flood Insurance Program, whichever is the lesser, and (ii) if the Land is not located in a community that participates in the National Flood Insurance Program, Grantor shall at all times maintain flood insurance in an amount reasonably satisfactory to Secured Party, if available. Without limiting the foregoing, Grantor acknowledges receipt of notice from Secured Party given at least ten (10) days prior to the date hereof that if the Land is located in a community that does not participate in the National Flood Insurance Program, then Federal flood insurance will not be available to Grantor. Each such policy of insurance shall in addition (i) name Grantor and Secured Party as insured parties thereunder (without any representation or warranty by or obligation upon Secured Party) as their interests may appear, (ii) contain an agreement by the insurer that any loss thereunder shall be payable to Secured Party notwithstanding any action, inaction or breach of representation or warranty by Grantor, (iii) contain, to the extent available, a provision that no act or omission of Grantor that would otherwise result in a forfeiture or reduction of the insurance therein contained shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained,

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(iv) have attached thereto a lender's loss payable endorsement for the benefit of Secured Party in form satisfactory to Secured Party, or contain a loss payable clause reasonably acceptable to Secured Party, and (v) provide that at least 30 days prior written notice of cancellation, material amendment, reduction in scope or limits of coverage or lapse shall be given to Secured Party by the insurer. Grantor shall, if so requested by Secured Party, deliver to Secured Party original or duplicate copies of such insurance policies.

2.4 Delivery of Policies, Payment of Premiums

In the event Grantor fails to provide to, maintain, keep in force or deliver to, or cause to be provided to, maintained, kept in force or delivered to, Secured Party the policies of insurance required by this Instrument or by any Financing Document, Secured Party may (but shall have no obligation to) procure, upon reasonable prior notice to Grantor (provided that the failure to give such notice shall not give rise to any right on the part of Grantor, be deemed to be a default by Secured Party hereunder or under any other Financing Document, nor prevent, delay or otherwise affect Secured Party's right and power to take any such action) such insurance or single-interest insurance for such risks covering Secured Party's interest. Grantor will pay all premiums thereon promptly upon demand by Secured Party, and until such payment is made by Grantor to Secured Party, the amount of all such premiums paid by Secured Party shall bear interest at the Agreed Rate.

2.5 Casualties; Insurance Proceeds

(a) Grantor shall give prompt written notice to Secured Party of any material casualty to or in connection with the Collateral or any part thereof, whether or not such casualty is covered by insurance. In the event that all or any part of the Collateral is damaged, destroyed or lost, and such damage, destruction or loss is covered, in whole or in part, by insurance, and provided no Event of Default (as hereinafter defined) shall have occurred and be continuing, Grantor may make proof of loss and settle, adjust and compromise any claims under such insurance; provided, however, that such settlement, adjustment or compromise shall be subject to Secured Party's reasonable prior written approval. After the occurrence of an Event of Default which is continuing, Secured Party is hereby authorized and empowered by Grantor to settle, adjust or compromise any and all claims for loss, damage or destruction under any policy or policies of insurance with or without the consent of Grantor.

(b) Proceeds of insurance shall be applied as set forth in this subsection 2.5(b). Proceeds of insurance payable on account of damage, destruction or loss shall be payable to Secured Party, and Grantor hereby authorizes and directs any affected insurance company to make payment of such proceeds directly to Secured Party. If Grantor receives any proceeds of insurance resulting from such casualty, Grantor shall promptly pay over such proceeds to Secured Party and Grantor covenants that until so paid over to Secured Party Grantor shall hold such proceeds in trust for the benefit of Secured Party and Lenders and shall not commingle such proceeds with any other funds or assets of Grantor or any other party. Any

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loss proceeds payable to Secured Party under this Instrument in connection with such damage or destruction shall be applied as set forth in this Section. Except as set forth in the following sentence, Secured Party shall release such proceeds to Grantor upon receipt by Secured Party of an officers' certificate from Grantor confirming that the amount of insurance proceeds and condemnation proceeds permitted to be reinvested pursuant to subsection 4.18(d) of the Credit Agreement, if any, has not been exceeded and will not be exceeded after giving effect to the reinvestment of such proceeds on a pro forma basis. Notwithstanding anything herein to the contrary, if,

- (i) any Event of Default has occurred and, at the time of such damage or destruction or at the time of application of insurance proceeds, is continuing, or
- (ii) the insurance proceeds in respect of such damage or destruction, together with any other insurance proceeds or condemnation proceeds subject to the provisions of subsection 4.18(d) of the Credit Agreement, shall exceed the amounts permitted to be reinvested pursuant to subsection 4.18(d) of the Credit Agreement (but only to the extent those proceeds exceed the amounts stated in said subsection 4.18(d)),

then, unless Secured Party shall have otherwise consented to restoration of the Collateral, Secured Party shall apply such proceeds to the Secured Obligations in accordance with Section 5.5 hereof, notwithstanding that such Secured Obligations may not be due according to the terms hereof or thereof. Nothing herein contained shall be deemed to excuse Grantor from repairing or maintaining the Collateral as provided in Section 2.2 above or restoring all damage or destruction to the Collateral, regardless of whether there are insurance proceeds available to Grantor or whether any such proceeds are sufficient in amount. The application or release by Secured Party of any insurance proceeds shall not cure or waive any default or notice of default under the Credit Agreement or invalidate any act done pursuant to such notice.

2.6 Assignment of Policies Upon Foreclosure

In the event of foreclosure of this Instrument or other transfer of title or assignment of the Collateral in extinguishment, in whole or in part, of the debt secured hereby, all right, title and interest of Grantor in and to all policies of insurance required under this Instrument and any unearned premiums thereon shall, without further act, but only if and to the extent permitted under the terms of such insurance policies, inure to the benefit of and pass to the successor in interest to Grantor or the purchaser or grantee of the Collateral.

2.7 Taxes and Impositions

(a) Grantor will pay all taxes, assessments and other governmental charges imposed upon or in respect of any of the Collateral before any penalty or interest accrues

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thereon and all claims (including, without limitation, claims for labor, services, materials and supplies, nongovernmental levies or assessments and levies or charges resulting from covenants, conditions and restrictions affecting the Collateral) for sums which have become due and payable and which by law have or may become a lien upon any of the Collateral prior to the time when any penalty or fine shall be incurred with respect thereto (all of the above hereinafter referred to, collectively, as "Impositions"); provided that no such charge or claim need be paid if (i) Grantor is contesting such charge or claim in good faith by appropriate proceedings promptly instituted and diligently conducted, and (ii) Grantor shall have given Secured Party written notice of Grantor's intent to so contest such charge or claim, and (iii) at Secured Party's sole option, Grantor shall demonstrate to Secured Party's satisfaction that the proceedings shall conclusively operate to prevent the sale of the Collateral, or any part thereof, to satisfy such Imposition prior to final determination of such proceedings, and (iv) such reserve or other appropriate provision, if any, as shall be required in conformity with generally accepted accounting principles shall have been made therefore; provided further that no such charge or claim with respect to amounts not previously paid in good faith, including interest, penalty or fines shall result in a breach of this Section so long as such charge or claim and any interest, penalty or fines incurred thereon are (a) paid when due upon first notice thereof from the applicable taxing authority (if any) or (b) contested in accordance with the first proviso hereof.

(b) If at any time after the date hereof there shall be assessed or imposed (i) a tax or assessment on the Collateral in lieu of or in addition to those otherwise payable by Grantor pursuant to subsection 2.7(a), or (ii) a license fee, tax or assessment imposed on Secured Party, any Lender, or Trustee and measured by or based in whole (or in part) upon the amount of the outstanding obligations secured hereby, or (iii) a license fee, tax or assessment imposed on Secured Party, any Lender, or Trustee because of the interest of any of them in the Collateral (other than taxes on income), then all (or said part of) such taxes, assessments or fees shall be deemed to be included within the term "Impositions" as defined in subsection 2.7(a) and Grantor shall pay and discharge the same as herein provided with respect to the payment of the Impositions.

(c) Upon request by Secured Party, Grantor shall deliver to Secured Party, within thirty (30) days after the date upon which any such Imposition is due and payable by Grantor in accordance with this Instrument, official receipts of the appropriate taxing authority, or other proof satisfactory to Secured Party, evidencing the payment thereof.

2.8 Eminent Domain

In the event that any proceeding or action be commenced for the taking of the Collateral, or any part thereof or interest therein, for public or quasi-public use under the power of eminent domain, condemnation or otherwise, or if the same be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner, or

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should Grantor receive any notice or other information regarding such proceeding, action, taking or damage (including, without limitation, a proposal to purchase the Collateral or some portion thereof in lieu of condemnation), Grantor shall give prompt written notice thereof to Secured Party and Trustee. Except as otherwise provided herein, Grantor shall be entitled to investigate and negotiate with the condemnor concerning the proposed taking, to commence, appear in, and prosecute in its own name any such action or proceeding, and be entitled to make any compromise or settlement in connection with such taking or damage provided that such compromise or settlement is undertaken by Grantor in good faith and provided further that any compromise or settlement shall not be entered into without the prior written approval of Secured Party, which shall not be unreasonably withheld. After the occurrence of an Event of Default that is continuing, Secured Party shall be entitled, at Secured Party's option, without regard to the adequacy of its security, to investigate and negotiate with the condemnor concerning the proposed taking, and with or without Trustee, to commence, appear in, and prosecute in its own name any such action or proceeding. After the occurrence of an Event of Default that is continuing, Secured Party shall also be entitled to make any compromise or settlement in connection with such taking or damage with or without the consent of Grantor. All compensation, awards, damages, rights of action and proceeds awarded to Grantor by reason of any such taking or damage (the "Condemnation Proceeds") are hereby assigned to Secured Party for the benefit of Lenders and Grantor agrees to execute such further assignments of the Condemnation Proceeds as Secured Party or Trustee may require. Except as set forth in the following sentence, Secured Party shall release such Condemnation Proceeds (after deducting therefrom all reasonable costs and expenses, regardless of the particular nature thereof and whether incurred with or without suit, including reasonable attorney fees, incurred by Secured Party or Trustee in connection with any such action or proceeding) to Grantor upon receipt by Secured Party of an officers' certificate from Grantor confirming that the amount of Condemnation Proceeds and insurance proceeds permitted to be reinvested pursuant to subsection 4.18(d) of the Credit Agreement, if any, has not been exceeded and will not be exceeded after giving effect to the reinvestment of such proceeds on a pro forma basis. Notwithstanding anything herein to the contrary, if,

(a) any Event of Default has occurred and, at the time of such taking or damage or at the time of the application of the Condemnation Proceeds, is continuing, or

(b) the Condemnation Proceeds, together with any other insurance proceeds or condemnation proceeds subject to the provisions of subsection 4.18(d) of the Credit Agreement, shall exceed the amounts permitted to be reinvested pursuant to subsection 4.18(d) of the Credit Agreement, (but only to the extent those proceeds exceed the amounts stated in said subsection 4.18(d)),

then, unless Secured Party shall have otherwise consented to restoration of the Collateral, Secured Party shall apply such proceeds to the Secured Obligations in accordance with Section 5.5 hereof, notwithstanding that such Secured Obligations may not be due according

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to the terms hereof or thereof. Except in the case of a total taking of the Premises, nothing herein contained shall be deemed to excuse Grantor from repairing or maintaining the Collateral as provided in Section 2.2 hereof or restoring all damage or destruction to the Collateral, regardless of whether there are Condemnation Proceeds available to Grantor or whether any such proceeds are sufficient in amount. The application or release by Secured Party of any Condemnation Proceeds shall not cure or waive any default or notice of default under the Credit Agreement (except defaults related to payment of said proceeds) or invalidate any act done pursuant to such notice.

2.9 Liens

Grantor shall pay and discharge promptly, or cause to be paid and discharged promptly, at Grantor's cost and expense, all liens, encumbrances and charges other than the Permitted Encumbrances (as that term is defined in the Credit Agreement). If Grantor shall fail to remove and discharge, or cause to be removed or discharged, any such lien, encumbrance or charge, then in addition to any other right or remedy of Secured Party, Secured Party may, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due or by procuring the discharge of such lien, encumbrance or charge by depositing in a court a bond of the amount claimed or otherwise giving security for such claim, or by procuring such discharge in such manner as is or may be prescribed by law. Grantor shall, immediately upon demand therefor by Secured Party, pay to Secured Party an amount equal to all reasonable costs and expenses incurred by Secured Party in connection with the exercise by Secured Party of the foregoing right to discharge any such lien, encumbrance or charge, together with interest thereon from the date of such expenditure at the Agreed Rate and until so paid. Such amount together with such interest shall be secured hereby.

2.10 Title

Grantor represents and warrants that (i) it holds good and insurable title to the Collateral, (ii) it has authority to grant this Instrument on the same, (iii) the Collateral is free and clear of all liens and encumbrances whatsoever, except as for the Permitted Encumbrances, and (iv) it will warrant and defend title to the Collateral against the lawful claims of all persons until all Secured Obligations have been satisfied or performed in full.

2.11 Other Instruments

Grantor shall punctually pay all amounts due and payable under, and shall promptly and faithfully perform or observe each and every other obligation or condition to be performed or observed under, each deed of trust, deed to secure debt, mortgage, security agreement or other lien or security interest, or encumbrance, lease, sublease, declaration, covenant, condition, restriction, license, order or other instrument or agreement which affects or may affect the Collateral in any material or adverse respect, in law or in equity.

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2.12 [Reserved]

2.13 Utilities

Grantor shall pay, or cause to be paid, when due, all utility charges which are incurred for the benefit of the Collateral and which may become a charge or lien against the Collateral for gas, electricity, water or sewer services furnished to the Collateral except if being contested in good faith.

2.14 Inspections

Secured Party and Trustee or their agents or representatives are authorized to enter, at any reasonable time and upon reasonable prior notice to Grantor, upon or in any part of the Collateral for the purpose of inspecting the same and for the purpose of performing any of the acts they are authorized to perform hereunder or under the terms of any Financing Document.

2.15 Actions by Trustee or Secured Party To Preserve Collateral

Upon the occurrence of an Event of Default which is continuing, if Grantor or Debtor fails to perform any act Grantor or Debtor is required to perform hereunder, as and in the manner provided herein, Secured Party or Trustee, without obligation to do so, without releasing Grantor or Debtor from any obligation, and without notice to or demand upon Grantor or Debtor, may make or do the same in such manner and to such extent as it may deem necessary to protect the security hereof. Notwithstanding the foregoing, Secured Party shall endeavor in good faith to provide Grantor or Debtor with notice of any action taken by Secured Party under this Section, provided, however, that the failure of Secured Party to actually provide such notice shall not prevent Secured Party from taking any such action or invalidate any action taken. In connection therewith, upon the occurrence of an Event of Default which is continuing (without limiting Secured Party's general and other powers, whether conferred herein, in another Financing Document or by law), Secured Party and Trustee shall have and are hereby given the right, but not the obligation: (i) to enter upon and take possession of the Collateral; (ii) to make additions, alterations, repairs and improvements to the Collateral which Secured Party may consider necessary or proper to keep the Collateral in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Secured Party; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of Secured Party may affect or appears to affect the security of this Instrument or to be prior or superior hereto; and (v) in exercising such powers, to pay reasonable and necessary expenses, including employment of counsel or other necessary or desirable consultants. Grantor or Debtor shall, immediately upon demand therefor by Secured Party or Trustee, pay to Secured Party or Trustee, as applicable, an amount equal to all respective reasonable costs and expenses incurred by Secured Party in connection with the exercise by either Secured Party or Trustee of the foregoing rights including, without

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limitation, costs of evidence of title, court costs, appraisals, surveys and receiver's, trustee's and reasonable attorney fees and paralegal fees, together with interest thereon from the date of such expenditures at the Agreed Rate.

2.16 Indemnification; Subrogation; Waiver of Offset

(a) If the title, interest, lien or encumbrance, as the case may be, of Grantor, Secured Party, Lenders or Trustee in and to the Collateral or any part thereof, or the security of this Instrument, or the rights or powers of Secured Party, Trustee, Lenders or Grantor hereunder, shall be attacked, either directly or indirectly, or if any legal proceedings are commenced involving Grantor or the Collateral, Grantor shall promptly give written notice thereof to Secured Party and Trustee and at Grantor's own expense shall, in consultation with Secured Party and Trustee, take all reasonable steps to defend diligently against any such attack or proceedings, employing attorneys reasonably acceptable to Secured Party and Trustee; and Secured Party or Trustee may take such independent action in connection therewith as it may in its discretion deem advisable, and all reasonable costs and expenses, including, without limitation, reasonable attorney fees, paralegal fees, and legal expenses, incurred by Secured Party, Trustee and Lenders in connection therewith shall be a demand obligation owing by Grantor to Secured Party and Lenders or Trustee, as applicable, and shall bear interest at the Agreed Rate. Grantor agrees that, if Grantor fails to perform any act which Grantor is required to perform hereunder within the time such performance is required, Secured Party and Trustee each may, but shall not be obligated to, perform or cause to be performed such act, and any reasonable expense incurred by Secured Party and Lenders or Trustee in connection therewith shall be a demand obligation owing by Grantor to Secured Party and Lenders or Trustee, as applicable and shall bear interest at the Agreed Rate and Secured Party and Lenders and Trustee shall be subrogated to all of the rights of the party receiving such payment. The liabilities of Grantor as set forth in this Section shall survive the termination of this Instrument.

(b) Grantor waives any and all right to claim or recover against Secured Party, Lenders, and Trustee, or their respective officers, employees, agents and representatives, for loss of or damage to Grantor, the Collateral, Grantor's other property or the property of others under Grantor's control from any cause insured against or required to be insured against by the provisions of this Instrument.

(c) All sums payable by Grantor pursuant to this Instrument shall be paid without notice, demand (except as such notice or demand is required in the applicable Financing Document), counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the obligations and liabilities of Grantor hereunder shall in no way be released, discharged or otherwise affected (except as expressly provided herein) by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Collateral or any part thereof; (ii) any restriction or prevention of or interference

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by any third party with any use of the Collateral or any part thereof; (iii) any title defect or encumbrance or any eviction from the Premises or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Secured Party or any Lender or Trustee, or any action taken with respect to this Instrument by any trustee or receiver of Secured Party or any Lender or Trustee, or by any court, in any such proceeding; (v) any claim which Grantor has or might have against Secured Party or any Lender or Trustee; (vi) any default or failure on the part of Secured Party or any Lender or Trustee to perform or comply with any of the terms hereof or of any other agreement with Grantor; or (vii) any other occurrence whatsoever, whether similar or dissimilar to the foregoing, whether or not Grantor shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Grantor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any sum secured hereby and payable by Grantor.

(d) If Trustee or Secured Party or any Lender shall become a party to any suit at law or in equity or any administrative proceeding in reference to its interest in the Collateral described herein, or shall deem it necessary or desirable to take any action, either out of court or by suit, or to intervene in any pending suit or proceeding, in order to defend or uphold the security of this Instrument, including but not limited to eminent domain proceedings, the reasonable costs and expenses thereof, including a reasonable sum for attorney fees, shall be paid by Grantor; provided that Grantor shall not have any obligation to pay the costs and expenses thereof, to the extent, and only to the extent, that it is finally determined in such suit, proceeding or action, that Secured Party or any such Lender was grossly negligent or had engaged in willful misconduct.

2.17 Transfer of Collateral by Grantor

(a) Grantor understands and acknowledges that a transfer of the Collateral may significantly and materially alter and reduce Secured Party's security for the Secured Obligations and the indebtedness evidenced by the Secured Instruments and the Financing Documents. Therefore, in order to induce Lenders to make the extensions of credit secured hereby, Grantor agrees that, except as permitted under the terms of the Credit Agreement, Grantor will not transfer the Collateral, or any portion thereof, without the prior written consent of Secured Party. In the event of any transfer of the Collateral, or any portion thereof, that is not permitted under the terms of the Credit Agreement and is without the prior written consent of Secured Party, all amounts then remaining unpaid on the Secured Obligations shall, as provided in the Credit Agreement, be immediately due and payable, all without further demand, presentment, notice or other requirement of any kind, all of which are hereby expressly waived by Grantor, and the lien, encumbrance and security interest evidenced or created hereby shall be subject to foreclosure in any manner provided for herein or provided for by law. Consent to one such transfer shall not be deemed to be a waiver of the

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right to require consent to future or successive transfers. Secured Party may grant or deny such consent in its sole and absolute discretion. If consent should be given to a transfer and if this Instrument is not released to the extent of the transferred portion of the Collateral by a writing signed by Secured Party and recorded in the proper city, town, county or parish records, then any such transfer shall be subject to this Instrument and any such transferee shall assume all obligations hereunder and agree to be bound by all provisions contained herein. Any such assumption shall not, however, release Grantor or any co-borrower or guarantor of the Secured Obligations from any liability thereunder without the prior written consent of Secured Party. As used herein, "transfer" shall include (i) the direct or indirect sale, agreement to sell, transfer or conveyance of the Collateral or any portion thereof or interest therein, whether voluntary, involuntary, by operation of law (other than by reason of a taking for public or quasi-public use under the power of eminent domain or condemnation or otherwise) or otherwise; (ii) the execution by Grantor of any installment land sale contract or similar instrument affecting all or a portion of the Collateral; or (iii) any transfer by way of security, including the placing or the permitting of the placing, subsequent to the date hereof, of any mortgage, deed of trust, deed to secure debt, assignment of rents or other security device on Grantor's interest in the Premises or any part thereof. "Transfer" shall also include the transfer of any stock in Grantor not permitted by any Financing Document. This covenant shall run with the land of the Premises and remain in full force and effect until all of the Secured Obligations are paid and fully performed and the Commitments terminated, and Secured Party may, without notice to Grantor, deal with any transferees with reference to the Secured Obligations in the same manner as Grantor, without in any way altering or discharging Grantor's liability or the liability of any guarantor of Grantor with respect thereto.

(b) With respect to any such transfer to which Secured Party has consented and for which Secured Party has agreed to release its lien thereon which constitutes a transfer of less than all of the Collateral, Secured Party shall promptly deliver to Grantor a partial reconveyance, partial termination or partial release of this Instrument to the extent of the portion of the Collateral so transferred if, and only if: (i) Grantor shall have given Secured Party a fifteen day prior written request for such partial reconveyance, partial termination or partial release; (ii) Secured Party shall have received evidence reasonably satisfactory to Secured Party that such partial reconveyance, partial termination or partial release will not be and will not create a violation of any applicable zoning, platting, subdivision, parcel map or other land use laws and ordinances; (iii) Secured Party shall have received evidence reasonably satisfactory to Secured Party that such partial reconveyance, partial termination or partial release will not have a material adverse effect on any of the remaining Collateral; (iv) any net cash proceeds arising in connection therewith have been paid to Secured Party; and (v) no Event of Default or Default shall have occurred and be continuing at a time that this Section would otherwise obligate Secured Party to deliver such partial reconveyance, partial termination or partial release. Grantor shall pay all legal fees and other expenses incurred by Secured Party for preparing and reviewing any such partial reconveyance, partial termination or partial release and the execution and delivery thereof. Upon receipt by Grantor of such

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partial reconveyance, partial termination or partial release and upon the instruction of Secured Party, Grantor shall promptly and at its own expense record or file such partial reconveyance, partial termination or partial release in each of the cities, towns, counties or parishes, as appropriate, in which portions of the Collateral so transferred may be located. Upon request of Secured Party, Grantor shall promptly deliver to Secured Party evidence reasonably satisfactory to Secured Party of such recordation or filing.

2.18 Additional Security

No other security now existing, or hereafter taken, to secure the Secured Obligations shall be impaired or affected by the execution of this Instrument; and all additional security shall be taken, considered and held as cumulative. The taking of additional security, execution of partial or complete releases of the additional security, or any extension of the time of payment of any indebtedness or other obligations shall not diminish the force, effect or lien of this Instrument and shall not affect or impair the liability of any maker, surety, guarantor or endorser for the payment of said indebtedness or other obligations. Neither the acceptance of this Instrument nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained shall prejudice or in any manner affect Secured Party's or Trustee's right, to realize upon or enforce any other security now or hereafter held by Secured Party or Trustee, it being agreed that Secured Party and Trustee shall be entitled to enforce this Instrument and any other security now or hereafter held by Secured Party or Trustee in such order and manner as they may in their absolute discretion determine.

2.19 Further Acts

Grantor shall do and perform all acts necessary to keep valid and effective the charges and lien hereof and to carry into effect its objective and purposes in order to protect Secured Party and the lawful owner of the Secured Instruments and the other Secured Obligations. Promptly upon request, from time to time, of Secured Party or Trustee and at Grantor's expense, Grantor shall execute, acknowledge and deliver to Secured Party and Trustee for the benefit of Lenders such other and further instruments and do such other acts as in the reasonable opinion of Secured Party or Trustee may be necessary to (a) grant to Trustee and to Secured Party for the benefit of Lenders a perfected lien on the Collateral of the highest priority, subject to any Permitted Encumbrance, on all of the Collateral to secure all of the Secured Obligations, (b) grant to Trustee and to Secured Party for the benefit of Lenders, to the fullest extent permitted by applicable law, the right to foreclose on the Collateral nonjudicially, (c) correct any defect, error or omission which may be discovered in the contents of this Instrument which render it inconsistent with the intent of the parties (including, without limitation, all exhibits and/or schedules hereto), (d) identify more fully and subject to the liens, encumbrances and security interests and assignments created hereby any property intended by the terms hereof to be covered hereby (including without limitation, any renewals, additions, substitutions, replacements or appurtenances to the Collateral), (e) assure

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the first priority of this Instrument and of such liens, encumbrances, security interests and assignments (except as otherwise provided in the Credit Agreement), and (f) otherwise effect the intent of this Instrument. Without limiting the generality of the foregoing, Grantor shall promptly and, insofar as not contrary to applicable law, at Grantor's own expense, record, rerecord, file, and refile in such offices, at such times and as often as may be necessary, this Instrument, additional mortgages and deeds of trust, and every other instrument in addition or supplemental hereto, including applicable financing statements, as may be necessary to create, perfect, maintain and preserve the liens, encumbrances and security interests (and priority thereof) intended to be created hereby and the rights and remedies of Secured Party and Lenders and Trustee hereunder. Upon request by Secured Party, Grantor shall supply evidence of fulfillment of each of the covenants herein contained concerning which a request for such evidence has been made.

ARTICLE III. ASSIGNMENT OF RENTS, ISSUES AND PROFITS

3.1 Assignment of Rents, Issues and Profits

Pursuant to the assignment made by Grantor in paragraph C of the granting clause of this Instrument, Secured Party on behalf of Lenders is entitled to receive the Rents. In furtherance thereof, Grantor hereby gives to and confers upon Secured Party on behalf of Lenders the right, power and authority to collect the Rents, and Grantor irrevocably appoints Secured Party its true and lawful attorney-in-fact, at the option of Secured Party, at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue, in the name of Grantor, for all Rents accrued but unpaid and in arrears at the date of an Event of Default hereunder as well as the Rents thereafter accruing and becoming payable during the continuance of such Event of Default and, after deducting costs and expenses of operation and collection and reasonable reserves, apply the same to the Secured Obligations; provided, however, that Grantor shall have the right to collect the Rents (but not more than 30 days in advance unless the prior written reasonable approval of Secured Party has first been obtained), and to retain and enjoy the same, so long as an Event of Default shall not have occurred hereunder and be continuing. Upon request of Secured Party, Grantor shall execute and deliver to Secured Party (a) a specific assignment, in recordable form, of any lease, sublease, license, concession or other agreement now or hereafter affecting the Collateral or any portion thereof to further evidence the assignment hereby made and (b) upon the occurrence of an Event of Default hereunder which is continuing, such other instruments as Secured Party may deem necessary, convenient or appropriate in connection with the payment and delivery directly to Secured Party of all of the Rents. Grantor acknowledges that in order to facilitate the performance of the Secured Obligations, the assignment of the rents, issues and profits of the Collateral in this Article III is intended to be an absolute assignment from Grantor to Secured Party on behalf of Lenders and not merely the passing of a security interest.

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3.2 Collection Upon Default

(a) Upon the occurrence of an Event of Default which is continuing, Secured Party may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Secured Obligations, enter upon and take possession of the Collateral, or any part thereof, and, with or without taking possession of the Collateral or any part thereof, in its own name or on behalf of Lenders sue for or otherwise collect the Rents, including those past due and unpaid, and apply the same, less reasonable costs and expenses of operation and collection, including, without limitation, reasonable attorney fees and paralegal fees, upon the Secured Obligations, notwithstanding that such Secured Obligations may not then be due, but the manner of the application of such net income and which items shall be credited shall be determined in the sole discretion of Secured Party. Upon the occurrence of an Event of Default which is continuing, Grantor also hereby authorizes Secured Party upon such entry, at its option, to take over and assume the management, operation and maintenance of the Collateral and to perform all acts Secured Party in its sole discretion deems necessary and proper and to expend such reasonable sums out of income of the Collateral as may be needed in connection therewith, in the same manner and to the same extent as Grantor theretofore might do, including the right to effect new leases, subleases, licenses, concession, franchises, or similar agreements, including, without limitation, the Leases (Grantor Lessor), to cancel, surrender, alter or amend the terms of, and/or renew then-existing Leases (Grantor Lessor), and/or to make concessions to tenants or other parties to such agreements. The collection of the Rents, or the entering upon and taking possession of the Collateral, or the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default. Secured Party and Lenders and Trustee are hereby absolved from all liability for failure to enforce collection of any Rents, and from all other responsibility in connection therewith, except the responsibility to account to Grantor for Rents actually received.

(b) Upon such entry as provided in this Section, Secured Party shall, after payment of all reasonable and proper charges and expenses, including reasonable compensation to such managing agent as it may select and employ, and after the accumulation of a reserve to meet requisite amounts, credit the net amount of the income received by it from the Collateral by virtue of the assignment contained in this Article III to the Secured Obligations, notwithstanding that such Secured Obligations may not then be due, but the manner of the application of such net income and which items shall be credited shall be determined in the sole discretion of Secured Party. Neither Secured Party nor any Lender shall be accountable for more monies than Secured Party actually receives from the Collateral; nor shall Secured Party or any Lender be liable for failure to collect Rents. Upon such entry, Secured Party shall make reasonable efforts to collect Rents, reserving, however, within its own sole discretion, the right to determine the method of collection and the extent to which enforcement or collection of Rents shall be prosecuted.

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(c) Grantor hereby authorizes and directs that all other parties now or hereafter owing or paying Rents, in, with respect to or relating to the Premises or to any of the other interests included in the Collateral, or any part thereof, or now or hereafter having in their possession or control any Rents from or allocated to the Collateral, or any part thereof, or the proceeds therefrom, shall, upon the request of Secured Party after the occurrence of an Event of Default and until Secured Party directs otherwise, pay and deliver such Rents directly to Secured Party at Secured Party's address set forth in the introduction to this Instrument, or in such other manner as Secured Party may direct such parties in writing, and this authorization shall continue until this Instrument is released. Grantor agrees that all instruments that Secured Party may from time to time execute and deliver for the purpose of collecting and receipting for Rents which it is entitled to collect hereunder shall be binding upon Grantor and its successors and assigns. No payor making payments to Secured Party at its request under the assignment contained herein shall have any responsibility to see to the application of any of such funds, and any party paying or delivering Rents to Secured Party under such assignment shall be released thereby from any and all liability to Grantor to the full extent and amount of all Rents so delivered. Grantor agrees to indemnify and hold harmless any and all parties making payments to Secured Party, at Secured Party's request under the assignment contained herein, against any and all liabilities, actions, claims, judgments, reasonable costs, reasonable charges and reasonable attorney fees and paralegal fees resulting from the delivery of such Rents to Secured Party. The indemnity agreement contained in the previous sentence is made for the direct benefit of and shall be enforceable by all such persons. Should Secured Party bring suit against any third party for collection of any amounts or sum included within this assignment which it is entitled to receive and collect (and Secured Party shall have the right to bring any such suit), it may sue either in its own name or in the name of Grantor, or both.

(d) It is not the intention of the parties hereto that an entry by Secured Party upon the Premises under the terms of this Instrument shall make Secured Party or any Lender a party in possession in contemplation of the law, except at the option of Secured Party.

(e) Nothing contained herein shall operate or be construed to obligate Secured Party or any Lender to perform any of the terms, covenants and conditions contained in any Lease (Grantor Lessor) of or relating to the Premises or any portion thereof or otherwise to impose any obligation upon Secured Party or any Lender with respect to any Lease (Grantor Lessor) of or relating to the Premises or any portion thereof, including, but not limited to, any obligation arising out of any covenant of quiet enjoyment therein contained in the event the lessee or other party under any such Lease (Grantor Lessor) shall have been joined as a party defendant in any action to foreclose and the estate of such lessee or other party shall have been thereby terminated. Prior to actual entry into and taking possession of the Premises by Secured Party in accordance with this Article III the assignment contained in this Article III shall not operate to place upon Secured Party or any Lender any responsibility for the operation, control, care, management, or repair of the Collateral or any portion thereof, and

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the execution of this Instrument by Grantor shall constitute conclusive evidence that all responsibility for the operation, control, care, management, and repair of the Premises is and shall be that of Grantor, prior to such actual entry and taking of possession.

(f) The assignment of rents, issues, profits and proceeds herein made shall not be construed to limit in any way Secured Party's other rights hereunder or any other rights of Secured Party or any Lender under any other Financing Document, including, without limitation, any right to accelerate any indebtedness. Monies received under the assignments herein made shall not be deemed to have been applied in payment of any Secured Obligations unless and until such monies actually are applied thereto by Secured Party. However, any net amount of the income received shall be reasonably promptly applied by Secured Party in payment of Secured Obligations.

3.3 Sale of Collateral

Upon any sale of any of the Collateral by or for the benefit of Secured Party pursuant to Article V hereof, the Rents attributable to the part of the Collateral so sold shall be included in such sale and shall pass to the purchaser free and clear of (a) the assignment made by Grantor in paragraph C of the granting clause of this Instrument and (b) the provisions of this Article III.

ARTICLE IV. TERMINATION

If all of the Secured Obligations shall be paid and performed in full pursuant to the terms and conditions of this Instrument and the instruments evidencing the Secured Obligations and all commitments of Lenders to extend credit have terminated, then Secured Party (and Trustee to the extent required by law to effect a full and proper termination, release and reconveyance) shall, promptly, after the request of Grantor, execute, acknowledge and deliver to Grantor proper instruments evidencing the termination and release of this Instrument and, to the extent the Collateral is in the possession thereof, deliver the Collateral thereunder. Grantor shall pay all reasonable legal fees and other reasonable expenses incurred by Secured Party and Trustee for preparing and reviewing such instruments and the execution and delivery thereof, and Secured Party may require payment of the same prior to delivery of such instruments. Upon the receipt by Grantor of terminations or releases signed by Secured Party and Trustee, and in recordable form and evidencing the termination of this Instrument, Grantor shall promptly and at its own expense record or file such terminations or releases in each of the cities, towns, counties and parishes, as appropriate, in which portions of the Collateral may be located, in such a manner so as to effect a release of all of the Collateral of record. Upon the request of Secured Party, Grantor shall promptly deliver to Secured Party evidence reasonably satisfactory to Secured Party of such recordation or filing. Otherwise, this Instrument shall remain and continue in full force and effect. The obligations under this Article IV shall survive the termination of this Instrument.

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ARTICLE V. DEFAULT

5.1 Events of Default

The occurrence of any "Event of Default" as defined in the Credit Agreement (giving effect to any applicable notice or grace periods provided therein), shall be an "Event of Default" hereunder, and shall as provided in the Credit Agreement or the Secured Instruments make all amounts then remaining unpaid on the Secured Obligations immediately due and payable, all without further demand, presentment, notice or other requirements of any kind, all of which are hereby expressly waived by Grantor, and the lien, encumbrance, and security interest evidenced or created hereby shall be subject to foreclosure in any manner provided for herein or provided for by law.

5.2 Fixtures

Upon the occurrence of any Event of Default which is continuing, Secured Party may, to the extent permitted under applicable law, elect to treat the Fixtures included in the Collateral either as real property or as personal property, or both, and proceed to exercise such rights as apply thereto. With respect to any sale of real property included in the Collateral made under the powers of sale herein granted and conferred, Secured Party may, to the extent permitted by applicable law, include in such sale any personal property and Fixtures included in the Collateral and relating to such real property.

5.3 Remedies

(a) Upon the occurrence of any of the Events of Default, and at any time during the continuation thereof, in addition to all other powers, rights and remedies herein granted or by law or at equity conferred,

(i) Secured Party shall have all of the rights and remedies of a mortgagee (the power of sale permitted and provided by applicable statute being hereby expressly granted by Grantor to Trustee) with respect to all of the Collateral and in addition Trustee shall have all of the rights and remedies of a mortgagee and a trustee under a deed of trust granted, conferred, or permitted by applicable law, and Secured Party shall have all of the rights of a beneficiary thereunder. Secured Party and Trustee shall, to the extent permitted by applicable law, have the right and power, but not the obligation, to enter upon and take immediate possession of the Real Property Collateral and the Fixtures or any part thereof, to exclude Grantor therefrom, to hold, use, operate, manage, and control such real property, to make all such repairs, replacements, alterations, additions, and improvements to the same as Secured Party may deem proper, and to demand, collect, and retain the Rents as provided in Article III hereof.

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(ii) Secured Party and Trustee with respect to any or all of the Collateral, in lieu of or in addition to exercising any other power, right or remedy herein granted or by law or equity conferred, may, without notice, demand or declaration of default which are hereby waived by Grantor, proceed by an action or actions in equity or at law for the seizure and sale of the Real Property Collateral and the Fixtures or any part thereof, for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power, right or remedy herein granted or by law or equity conferred, for the foreclosure or sale of such real property or any part thereof under the judgment or decree of any court of competent jurisdiction, for the appointment of a receiver (without any requirement to post a receiver's bond) pending any foreclosure hereunder or the sale of such real property or any part thereof or for the enforcement of any other appropriate equitable or legal remedy.

(iii) Secured Party and Trustee with respect to any or all of the Fixtures shall have all of the rights and remedies of an assignee and secured party granted to the "Secured Party" under and as defined in the Security Agreement (as defined in the Credit Agreement) in respect of the "Collateral" under and as defined in such Security Agreement as if such rights and remedies were set forth herein, and under applicable law, including the Uniform Commercial Code, and shall, to the extent permitted to such Secured Party by applicable provisions of such Security Agreement, have the right and power, but not the obligation, to take possession of the Fixtures and to exercise any and all other rights and remedies granted to such Secured Party under such Security Agreement.

(iv) Trustee may, subject to any mandatory requirements of applicable law, sell or have sold the Real Property Collateral and the Fixtures or interests therein or any part thereof at one or more sales, as an entirety or in parcels, at such place or places and otherwise in such manner and upon such notice as may be required by law or by this Instrument, or, in the absence of any such requirement, as Trustee or Secured Party may deem appropriate. Trustee is specifically authorized, but not required, to hold the public sale of the Real Property Collateral in any county in which any part of the Real Property Collateral is situated. Trustee shall make a conveyance to the purchaser or purchasers thereof without, to the extent permitted by applicable law, any warranties express or implied, and Grantor shall warrant title thereto to such purchaser or purchasers. Trustee or Secured Party may postpone the sale of such Real Property Collateral and the Fixtures or interests therein or any part thereof by public announcement at the time and place of such sale, and from time to time thereafter may further postpone such sale by public announcement made at the time of sale fixed by the preceding postponement. Sale of a part of the Real Property Collateral and the Fixtures or interests therein or any defective or irregular sale hereunder will not exhaust the power of sale (to the extent permitted under applicable law), and sales may be made from time to time until all such property is sold without defect or irregularity

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or the Secured Obligations are paid in full. Trustee or Secured Party shall have the right, to the extent permitted by applicable law, to appoint one or more attorneys-in-fact to act in conducting the foreclosure sale and executing a deed to the purchaser. It shall not be necessary for any of the Collateral at any such sale to be physically present or constructively in the possession of Secured Party or Trustee and Grantor shall deliver all of the Collateral to the purchaser at such sale. If it should be impossible or impracticable to take actual delivery of the Collateral, then the title and right of possession to the Collateral shall pass to the purchaser at such sale as completely as if the same had been actually present and delivered.

(b) Secured Party (or any Lender or any other person owning, directly or indirectly, any interest in any of the Secured Obligations) shall have the right to become the purchaser at any sale made pursuant to the provisions of this Article V and Secured Party (but not such Lender or other person unless such Secured Party or other person is the owner, directly or indirectly, of all of the Secured Obligations) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale, to use and apply any of the Secured Obligations owed to such person as a credit on account of the purchase price of any Collateral payable by such person at such sale. All other sales shall be, to the extent permitted by applicable law, on a cash basis. Recitals contained in any conveyance to any purchaser at any sale made hereunder will conclusively establish the truth and accuracy of the matters therein stated, including without limitation nonpayment of the Secured Obligations and advertisement and conduct of such sale in the manner provided herein or provided by law. Grantor does hereby ratify and confirm all legal acts that Secured Party and Trustee may do in carrying out the provisions of this Instrument.

(c) Any sale of the Collateral or any part thereof pursuant to the provisions of this Article V will operate to divest all right, title, interest, claim, and demand of Grantor in and to the property sold. Nevertheless, if requested by Secured Party so to do, Grantor shall join in the execution, acknowledgment and delivery of all proper conveyances, assignments and transfers of the property so sold. Any purchaser at a foreclosure sale will receive immediate possession of the property purchased, and Grantor agrees that if Grantor retains possession of the property or any part thereof subsequent to such sale, Grantor will be considered a tenant at sufferance of the purchaser, and will, if Grantor remains in possession after demand to remove, be guilty of forcible detainer and will be subject to eviction and removal, forcible or otherwise, with or without process of law, and all damages to Grantor by reason thereof are hereby expressly waived by Grantor.

(d) Grantor acknowledges that it and Debtor are aware of and have had the advice of counsel of their choice with respect to their rights, under applicable law, with respect to this Instrument, the Secured Obligations, the Collateral, and the other Financing Documents. Nevertheless, Grantor hereby waives and relinquishes to the maximum extent permitted by

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law any right under any law relating to, and subject to any mandatory requirements of applicable law Grantor hereby agrees that Grantor shall not at any time hereafter have or assert any right under any law pertaining to: marshalling, whether of assets or liens, the sale of property in the inverse order of alienation, the exemption of homesteads, the administration of estates of decedents, appraisal, valuation, stay, extension, redemption, the maturing or declaring due of the whole or any part of the Secured Obligations, notice of intention of such maturing or declaring due, other notice (whether of defaults, advances, the creation, existence, extension or renewal of any of the Secured Obligations or otherwise), subrogation, or abatement, suspension, deferment, diminution or reduction of any of the Secured Obligations (including, without limitation, setoff), now or hereafter in force.

(e) Upon the occurrence of an Event of Default which is continuing, Secured Party, at its option, is authorized to foreclose this Instrument subject to the rights of any tenants of the Premises, and the failure to make any such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Grantor, a defense to any proceedings instituted by Secured Party to collect any Secured Obligations.

(f) Upon the occurrence of an Event of Default which is continuing, Secured Party shall, to the extent permitted by applicable law, have the option to proceed with foreclosure or the exercise by Trustee of the power of sale in satisfaction of any part of the Secured Obligations (prior to the declaration of the whole of the Secured Obligations as immediately mature), and such foreclosure or sale may be made subject to the unmatured part of the Secured Obligations, and it is agreed that such foreclosure, if so made, shall not in any manner affect the unmatured part of the Secured Obligations, but as to such unmatured part of the Secured Obligations, this Instrument and the other Financing Documents shall remain in full force and effect just as though no foreclosure or sale had been made. Several foreclosures or sales may be made without exhausting the right of foreclosure or the power of sale for any unmatured part of the Secured Obligations, it being the purpose to provide for a foreclosure and sale of the security for any matured portion of the Secured Obligations without exhausting the power of foreclosure and the power to sell the Collateral for any other part of the Secured Obligations.

5.4 Costs and Expenses

All reasonable costs and expenses (including reasonable attorney fees and paralegal fees, legal expenses, title premiums, title report and work charges, filing fees, and mortgage, mortgage registration, transfer, stamp, and other excise taxes) incurred by Secured Party and Lenders or Trustee in perfecting, protecting, or enforcing its rights hereunder, whether or not an Event of Default shall have occurred, shall be a demand obligation of Grantor to Secured Party or Lenders or Trustee, as applicable, and shall bear interest at the Agreed Rate, all of which shall be part of the Secured Obligations. Grantor agrees to indemnify Secured Party

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and Lenders and Trustee for any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, reasonable costs, reasonable expenses, or disbursements of any kind and nature whatsoever which may be imposed on, incurred by, or asserted against Secured Party or any Lender or Trustee in any way relating to or arising out of this Instrument or any other documents contemplated by or referred to herein or the transactions contemplated hereby or the enforcement of any of the terms hereof (other than tax upon income deemed payable by Secured Party, Trustee or Lenders); provided, however, that Grantor shall not be liable for any of the foregoing to the extent they arise from the gross negligence or willful misconduct of Secured Party or any Lender or Trustee.

5.5 Application of Proceeds

(a) The proceeds of any sale of the Collateral or any part thereof made pursuant to this Article V shall be applied as follows:

FIRST: To the payment of all costs and expenses of such sale, collection or other realization, including reasonable compensation to Secured Party and its agents and counsel, and all other expenses, liabilities, and advances made or incurred by Secured Party in connection therewith, and all amounts for which Secured Party is entitled to indemnification hereunder and all advances made by Secured Party hereunder for the account of Grantor, and to the payment of all costs and expenses paid or incurred by Secured Party or Trustee in connection with the exercise of any right or remedy hereunder;

SECOND: To the payment of all other Secured Obligations (for the ratable benefit of the holders thereof) in such order as Secured Party shall elect; and

THIRD: To the payment to or upon the order of Grantor, or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct, of any surplus then remaining from such proceeds;

provided, however, that if applicable law requires such proceeds to be paid or applied in a manner other than as set forth above in this subsection 5.5(a), then such proceeds shall be paid or applied in accordance with such applicable law.

(b) Upon any sale made under the powers of sale herein granted and conferred, the receipt of Secured Party or Trustee will be sufficient discharge to the purchaser or purchasers at any sale for the purchase money, and such purchaser or purchasers and the heirs, devisees, personal representatives, successors, and assigns thereof will not, after paying such purchase money and receiving such receipt of Secured Party or Trustee, be obligated to see to the

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application thereof or be in any way answerable for any loss, misapplication or nonapplication thereof.

5.6 Request for Notice

Grantor hereby requests that a copy of any notice of default and a copy of any notice of sale hereunder be mailed to Grantor in the manner set forth in Section 7.11 of this Instrument.

ARTICLE VI. TRUSTEE

6.1 Successor Trustee

Trustee may resign in writing addressed to Secured Party or be removed at any time with or without cause by an instrument in writing duly executed by Secured Party. In case of the death, resignation, or removal of Trustee, a successor Trustee may be appointed by Secured Party without other formality than an appointment and designation in writing unless otherwise required by applicable law, which writing shall be effective when filed for record in the public office(s) wherein this Instrument has previously been recorded. Such appointment and designation will be full evidence of the right and authority to make the same and of all facts therein recited, and upon the making of any such appointment and designation, this Instrument will vest in the named successor trustee all the right, title, and interest of Trustee in the Collateral, and said successor will thereupon succeed to all the rights, powers, privileges, immunities, and duties hereby conferred upon Trustee; provided, however, that Secured Party may at its option, appoint and designate several successor trustees, and in such manner, appoint and designate a different successor trustee for each county wherein a portion of the Collateral is located, as described in such written appointment and designation, and upon the making of any such appointment and designation, this Instrument will vest in each such named successor trustee all of the right, title, and interest of Trustee in that portion of the Collateral ascribed to such named successor trustee, and each such named successor trustee will thereupon succeed to all the rights, powers, privileges, immunities and duties hereby conferred upon Trustee in that portion of the Collateral ascribed to such named successor trustee. All references herein to Trustee will be deemed to refer to the trustee or trustees from time to time acting hereunder.

6.2 Trustee's Powers

At any time, or from time to time without liability therefor and without notice, upon written request of Secured Party and presentation of this Instrument and the Secured Instrument for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby or the effect of this Instrument upon the remainder of the Collateral, Trustee may (a) reconvey any part of the Collateral, (b) consent in

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writing to the making of any map or plat thereof, (c) join in granting any easement thereon, or (d) join in any extension agreement or any agreement subordinating the lien or charge hereof.

6.3 Full Reconveyance by Trustee

To the extent Trustee's signature is necessary on any full reconveyance of this Instrument then, upon written request of Secured Party stating that all sums secured hereby have been paid and upon surrender of this Instrument and the Secured Instrument to Trustee for cancellation and retention (or disposal in accordance with applicable law) and upon payment by Grantor of Trustee's fees, Trustee shall reconvey to Grantor, or to the person or persons legally entitled thereto, without warranty, any portion of the Collateral then held hereunder. The recitals in such reconveyance of any matters or facts shall be conclusive proof of the truthfulness thereof. The grantee in any reconveyance may be described as "the person or persons legally entitled thereto."

6.4 Indemnity

Lenders shall indemnify Trustee against all claims, actions, liabilities, judgments, costs, attorney fees or other charges of whatsoever kind or nature made against or incurred by Trustee, and arising out of the performance by Trustee of the duties of Trustee hereunder.

ARTICLE VII. MISCELLANEOUS COVENANTS AND AGREEMENTS

7.1 Cumulative Rights; Waivers; Modifications

Each and every right, power and remedy hereby granted to Secured Party and Trustee shall be cumulative and not exclusive, and each and every right, power and remedy whether specifically hereby granted or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by Secured Party or Trustee and the exercise of any such right, power or remedy will not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power, or remedy. No delay or omission by Secured Party or Trustee in the exercise of any right, power or remedy will impair any such right, power or remedy or operate as a waiver thereof or of any other right, power or remedy then or thereafter existing. Any and all covenants of Grantor in this Instrument may from time to time, by instrument in writing signed by Secured Party, be waived to such extent and in such manner as Secured Party may desire, but no such waiver will ever affect or impair the rights of Secured Party or Trustee hereunder, except to the extent specifically stated in such written instrument. All changes to and modifications of this Instrument must be in writing and signed by Grantor and Secured Party.

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7.2 Partial Releases

No release from the lien or encumbrance of this Instrument of any part of the Collateral shall in any way alter, vary or diminish the force or effect of this Instrument on the balance of the Collateral or the priority of the lien of this Instrument on the balance of the Collateral.

7.3 Severability

If any provision hereof or of any of the other documents constituting, evidencing or creating all or any part of the Secured Obligations is invalid or unenforceable in any jurisdiction, the other provisions hereof or of said documents shall remain in full force and effect in such jurisdiction and the remaining provisions hereof will be liberally construed in favor of Secured Party in order to carry out the provisions hereof and of such other documents. The invalidity of any provision of this Instrument in any jurisdiction will not affect the validity or enforceability of any such provision in any other jurisdiction.

7.4 Subrogation

This Instrument is made with full substitution and subrogation of Secured Party on behalf of Lenders and of Trustee in and to all covenants and warranties by others heretofore given or made in respect of the Collateral or any part thereof. To the extent that proceeds of the loans and other credit facilities and obligations evidenced or guaranteed by the Secured Instruments are used to pay any outstanding lien, charge or prior encumbrance against the Collateral, such proceeds have been or will be advanced at Grantor's request and Secured Party on behalf of Lenders shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released.

7.5 Secured Party's Powers

Without affecting the liability of any other person liable for the payment of any obligation herein mentioned, and without affecting the lien or charge of this Instrument upon any portion of the Premises not then or theretofore released as security for the full amount of all unpaid Secured Obligations, Secured Party may, in accordance with the provisions of Section 7.1 hereof, from time to time and without notice, (a) release any persons liable, (b) extend the maturity or alter any of the terms of any such obligation, (c) grant other indulgences, (d) release or reconvey, or cause to be released or reconveyed at any time at Secured Party's option any parcel, portion or all of the Collateral, (e) take or release any other or additional security for any obligation herein mentioned, or (f) make compositions or other arrangements with debtors in relation thereto.

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7.6 Enforceability of Instrument

This Instrument is deemed to be and may be enforced from time to time as an assignment, chattel mortgage, contract, deed of trust, deed to secure debt, financing statement, real estate mortgage, or security agreement, and from time to time as any one or more thereof, as is appropriate under applicable state law. A carbon, photographic or other reproduction of this Instrument or any financing statement in connection herewith shall be sufficient as a financing statement for any and all purposes.

7.7 Interest

All interest required hereunder and under the Secured Obligations shall be calculated in the manner set forth in the applicable Financing Document. Notwithstanding anything to the contrary contained herein, no rate of interest required hereunder or under the Secured Obligations shall exceed the maximum legal rate under applicable law, and, in the event any such rate is found to exceed such maximum legal rate, Debtor and/or Grantor shall be required to pay only such maximum legal rate. All agreements between Debtor, Grantor, Secured Party, and Lenders are hereby expressly limited so that in no contingency or event whatsoever shall the amount paid or agreed to be paid, to Secured Party or Lenders for the use, forbearance, or detention of the money due under the Secured Instruments exceed the maximum amount permissible under applicable law. If, due to any circumstances whatsoever, fulfillment of any provision hereof, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any circumstances Secured Party or any Lender should ever receive as interest an amount that would exceed the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the applicable Secured Instrument and not to the payment of interest. Under the terms and provisions of the Secured Obligations which this Instrument secures and under the terms and provisions of any future or further advances secured hereby, the interest rate payable thereunder may be variable. ONE OF THE PURPOSES OF THIS SECTION IS TO PROVIDE RECORD NOTICE OF THE RIGHT OF SECURED PARTY AND LENDERS TO INCREASE OR DECREASE THE INTEREST RATE ON ANY OF THE SECURED OBLIGATIONS WHERE THE TERMS AND PROVISIONS OF SUCH SECURED OBLIGATIONS PROVIDE FOR A VARIABLE INTEREST RATE.

7.8 Choice of Law

This Instrument shall be, and the Credit Agreement provides that they are to be, governed by, and construed and enforced in accordance with, the laws of the State of Washington, without regard to conflict of law rules and principles.

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7.9 Counterparts

This Instrument may be executed in any number of original counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Instrument with the same effect as if all parties had signed the same signature page. Any signature page of this Instrument may be detached from any counterpart of this Instrument and reattached to any other counterpart of this Instrument so that all signature pages are physically attached to the same instrument.

7.10 Recording References

Unless otherwise specified in any of the Exhibits attached hereto, all recording references in an Exhibit are to the official real property records of the city, town, county or parish, as appropriate, in which the affected land is located. The references in an Exhibit to liens, encumbrances and other burdens, if any, shall not be deemed to recognize or create any rights in third parties.

7.11 Notices

Unless otherwise specifically provided herein, any notice or other communication herein required or permitted to be given shall be in writing and may be personally served, telecopied, telexed or sent by United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service, upon receipt of telecopy or telex, or four Business Days after depositing it in the United States mail, registered or certified, with postage prepaid and properly addressed. For the purposes hereof, the addresses of Trustee, Grantor and Secured Party are as set forth in the first paragraph of this Instrument or such other address as shall be designated by any such party in a written notice delivered to the other parties hereto.

7.12 Successors and Assigns

This Instrument shall bind and inure to the benefit of the respective successors and assigns of Grantor, Secured Party and Lenders, including, without limitation, any and all other banks, lending institutions and parties which may participate in the indebtedness evidenced by the Secured Obligations or any of them (all such banks, lending institutions and other parties who participate in the indebtedness evidenced by the Obligations or any of them being referred to herein as the "Participants"). The Participants may, by agreement among them, provide for and regulate the exercise of their rights and remedies hereunder, but, unless and until modified to the contrary in writing executed by the Participants and recorded in the same cities, towns, counties, parishes, or offices as this Instrument is recorded, Grantor and all others shall be entitled to rely on the releases, waivers, consents, approvals, notifications and other acts of Secured Party, without inquiry into any such agreements or the existence of required consents or approvals of the Participants therefor. As used herein, the term "Secured Party" shall

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mean, at any particular time, any person, corporation, partnership, trust, estate or other entity serving as the administrative agent under the Credit Agreement. Any waiver, consent, approval, notification, or other action required or permitted to be obtained from or taken by Secured Party may be obtained from or taken by the agent or agents of Lenders appointed from time to time for that purpose. Lenders may, by agreement among such persons or entities, provide for and regulate the exercise of their rights and remedies hereunder, but, unless and until modified to the contrary in writing by such persons or entities, Grantor and all others shall be entitled to rely on the waivers, consents, approvals, notifications, and other acts of such agent, without inquiry into any such agreements or the existence of required consents or approvals of Lenders therefor. As used herein, the term "person" shall mean any individual, corporation, partnership, joint venture, agency or other form of entity or association. Notwithstanding any other provision contained herein, if any property interest granted by this Instrument does not vest on the execution and delivery of this Instrument, it shall vest, if at all, no later than 20 years and 364 days after the death of the last surviving descendant of Joseph P. Kennedy (the late father of the former President of the United States) who is alive on the execution and delivery of this Instrument.

7.13 Fixture Filing Financing Statements

Some of the above goods are or are to become fixtures on the Premises. This Instrument shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included in the Collateral and is to be filed for record in, among other places, the real estate records of each county and each parish in which the affected real estate is located; to wit, all of those listed in Exhibit A. Grantor is the owner of a record interest in the real estate concerned. The secured party is Secured Party. The mailing address of Grantor and the address of Secured Party from which information concerning the security interest may be obtained are as set forth herein.

7.14 Captions

The captions or headings at the beginning of Articles and Sections hereof are for the convenience of the parties and are not a part of this Instrument.

7.15 Attorney Fees

If any of the Secured Obligations are not paid when due or if any Event of Default occurs, Grantor promises to pay all reasonable costs of enforcement and collection, including but not limited to, reasonable attorney fees and paralegal fees, whether or not such enforcement and collection includes the filing of a lawsuit.

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7.16 Loan Statement Fees

Grantor shall pay the amount demanded by Secured Party or its authorized loan servicing agent for any statement regarding the obligations secured hereby, provided, however, that such amount may not exceed the maximum amount allowed by law at the time request for the statement is made.

7.17 No Merger of Lease

If both the lessor's and lessee's estate under any lease, or any portion thereof which constitutes a part of the Collateral shall at any time become vested in one owner, this Instrument and the lien created hereby shall not be destroyed or terminated by application of the doctrine of merger unless Secured Party so elects as evidenced by recording a written declaration so stating and, unless and until Secured Party so elects, Secured Party shall continue to have and enjoy all of the rights and privileges of Secured Party as to the separate estates. In addition, upon the foreclosure of the lien created by this Instrument on the Collateral pursuant to the provisions hereof, any leases or subleases then existing and affecting all or any portion of the Collateral shall not be destroyed or terminated by application of the law of merger or as a matter of law or as a result of such foreclosure unless Secured Party or any purchaser at such foreclosure shall so elect. No act by or on behalf of Secured Party or any such purchaser shall constitute a termination of any lease or sublease unless Secured Party or such purchaser shall give written notice thereof to such tenant or subtenant.

7.18 Nonforeign Entity

Section 1445 of the Internal Revenue Code of 1955, as amended (the "Internal Revenue Code") provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform Secured Party that the withholding of tax will not be required in the event of the disposition of the Premises, or any portion thereof, pursuant to the terms of this Instrument, Grantor hereby certifies, under penalty of perjury, that:

- (a) Grantor is not a foreign corporation, foreign partnership, foreign trust or foreign estate, as those terms are defined in the Internal Revenue Code and the regulations promulgated thereunder; and
- (b) Grantor's U.S. employer identification number is 91-191622
- (c) Grantor's principal place of business is in the state of Washington.

It is understood that Secured Party may disclose the contents of this certification to the Internal Revenue Service and that any false statement contained herein could be punished by fine, imprisonment or both. Grantor covenants and agrees to execute such further

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certification, which shall be signed under penalty of perjury, as Secured Party shall reasonably require. The covenant set forth herein shall survive the foreclosure of the lien of this Instrument or acceptance of a deed in lieu thereof.

7.19 Interpretation

In this Instrument the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa, if the context so requires.

7.20 Non-Agricultural Use; Commercial Loan

Grantor hereby represents and warrants that (a) the loans, credit facilities and other obligations evidenced or guaranteed by the Secured Instruments as secured by this Instrument are being obtained for business or commercial purposes, and not made primarily for personal, family or household purposes, and (b) the Real Property Collateral is not used principally for agricultural purposes.

7.21 Relationship of Parties

The relationship between Debtor and Grantor and the Secured Party is that of borrower and representative of Lenders, as lenders only, and neither Debtor and Grantor nor the Secured Party is, nor shall it hold itself out to be, the agent, employee, joint venturer or partner of the other.

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

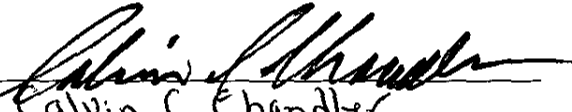
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IN WITNESS WHEREOF, Grantor has caused this Instrument to be duly executed and delivered by its officers hereunto duly authorized as of the date first above written.

GRANTOR:

SCHAUMBURG LAND COMPANY, L.L.C.,
a Washington limited liability company

By 
Name: Calvin C. Ehendler
Title: mgr.

Property of Cook County Clerk's Office

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STATE OF WASHINGTON)
) ss.
 COUNTY OF Pierce)

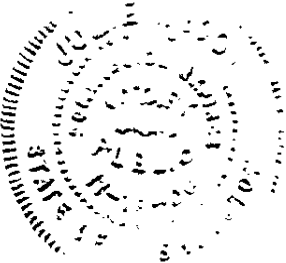
On this 28th day of March, 2003, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Calvin C. Chandler, to me known to be the person who signed as Mgr of SCHAUMBURG LAND COMPANY, L.L.C., the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said limited liability company for the uses and purposes therein mentioned, and on oath stated that he was duly elected, qualified and acting as said officer of the limited liability company and that he was authorized to execute said instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.

Julie McCoy
 (Signature of Notary)

Julie McCoy
 (Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
 of Washington, residing at Tacoma, WA
 My appointment expires: 11-19-06



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EXHIBIT A

to Deed of Trust, Assignment of Rents,
Security Agreement and Fixture Filing

LEGAL DESCRIPTION OF THE LAND

PARCEL 1:

LOT 2 IN THE WOODFIELD VILLAGE GREEN FIRST RESUBDIVISION BEING A RESUBDIVISION OF LOT 3 IN WOODFIELD VILLAGE GREEN WOODFIELD - 76 SUBDIVISION, BEING A SUBDIVISION OF PART OF THE SOUTHWEST ¼ AND THE SOUTHEAST ¼ OF SECTION 12, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND PART OF THE FRACTIONAL SOUTHWEST ¼ OF SECTION 7, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED SEPTEMBER 3, 1998 AS DOCUMENT 98789378, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

NON EXCLUSIVE EASEMENT FOR PEDESTRIAN AND VEHICULAR INGRESS AND EGRESS (BUT NOT FOR PARKING, EXCEPT AS EXPRESSLY PROVIDED THEREIN) FOR THE BENEFIT OF PARCEL 1 AS CREATED BY EASEMENT AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANT DATED MARCH 31, 1999 AND RECORDED ON APRIL 12, 1999 AS DOCUMENT NUMBER 99349797 MADE BY PRIME HOSPITALITY CORP. TO SCHAUMBURG LAND COMPANY LLC OVER PORTIONS OF THE FOLLOWING DESCRIBED LAND: LOTS 1 AND 3 IN THE WOODFIELD VILLAGE GREEN FIRST RESUBDIVISION BEING A RESUBDIVISION OF LOT 3 IN WOODFIELD VILLAGE GREEN WOODFIELD - 76 SUBDIVISION, BEING A SUBDIVISION OF PART OF THE SOUTHWEST ¼ AND THE SOUTHEAST ¼ OF SECTION 12, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND PART OF THE FRACTIONAL SOUTHWEST ¼ OF SECTION 7, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED SEPTEMBER 3, 1998 AS DOCUMENT 98789378, IN COOK COUNTY, ILLINOIS.

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Permanent Index Nos: 07-12-402-012-0000
08-07-301-011-0000

Property Address: 1901 Mc Connor Parkway
Schaumburg, Illinois