

## **EXHIBIT 3**

991079132

**AUSTIN TEXAS WILDWOOD APARTMENTS, LP,  
AUSTIN TEXAS CLUBCREEK APARTMENTS, LP, and  
VILLAGE AT RIVERSIDE APARTMENTS TEXAS, LP,**  
collectively, as trustor  
(Trustor)

to

**Ronald J. Dold, as trustee**  
(Trustee)

for the benefit of

**COLUMN FINANCIAL, INC., as beneficiary**  
(Beneficiary)

Dated: As of October 31, 2006

Location:  
502 Longspur Blvd. West  
Austin, Texas

1500 Crossing Place  
Austin, Texas

7610 Cameron Road  
Austin, Texas

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

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Schulte Roth & Zabel LLP  
919 Third Avenue  
New York, New York 10022  
Attention: Olga Evgrafieva  
Reference: 016398.0478

**THIS DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS AND SECURITY AGREEMENT** (this "Security Instrument") is made as of the 31st day of October, 2006, by **AUSTIN TEXAS WILDWOOD APARTMENTS, LP, AUSTIN TEXAS CLUBCREEK APARTMENTS, LP, and VILLAGE AT RIVERSIDE APARTMENTS TEXAS, LP**, each a Delaware limited partnership and each having its principal place of business at 12100 Wilshire Blvd., Suite 250, Los Angeles, California 90025, as mortgagor (jointly and severally, collectively, "Trustor"), to **RONALD J. DOLD**, having a mailing address at c/o 3 Greenway Plaza, Suite 1100, Houston, Texas 77046 ("Trustee") for the benefit of **COLUMN FINANCIAL, INC.**, having an address at 11 Madison Avenue, New York, New York 10010, as beneficiary (together with its successors and/or assigns, "Beneficiary").

**WITNESSETH:**

WHEREAS, this Security Instrument is given to secure a loan (the "Loan") in the principal sum of One Hundred Seventy-Nine Million Seven Hundred Eighty-Four Thousand Eight Hundred and No/100 Dollars (\$179,784,800.00) advanced pursuant to that certain Loan Agreement, dated as of the date hereof, between Trustor and the entities set forth on the signature page to the Loan Agreement, as borrower jointly and severally, and Beneficiary, as lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Loan Agreement") and evidenced by that certain Promissory Note, dated the date hereof, made by Trustor and the entities set forth on the signature page to the Loan Agreement, jointly and severally, in favor of Beneficiary (such Promissory Note, together with all extensions, renewals, replacements, restatements or modifications thereof being hereinafter referred to as the "Note");

WHEREAS, Trustor desires to secure the payment of the Debt (as defined in the Loan Agreement) and the performance of all of its obligations of Trustor under the Note, the Loan Agreement and the other Loan Documents (as herein defined); and

WHEREAS, this Security Instrument is given pursuant to the Loan Agreement, and payment, fulfillment, and performance by Trustor of its obligations thereunder and under the other Loan Documents are secured hereby, and each and every term and provision of the Loan Agreement, the Note, and that certain Assignment of Leases and Rents dated as of the date hereof, made by Trustor in favor of Beneficiary, delivered in connection with this Security Agreement (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Assignment of Leases"), including, without limitation, the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of the parties therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Security Instrument (the Loan Agreement, the Note, this Security Instrument, the Assignment of Leases and Rents and all other documents evidencing or securing the Debt (including all additional mortgages, deeds of trust, deeds to secure debt and assignments of leases and rents) or executed or delivered in connection therewith, are hereinafter referred to collectively as the "Loan Documents").

NOW THEREFORE, in consideration of the making of the Loan by Beneficiary to Trustor and the covenants, agreements, representations and warranties set forth in this Security Instrument, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Trustor hereby agrees as follows:

#### ARTICLE 1 - GRANTS OF SECURITY

**Section 1.1 Conveyance of Property Mortgaged.** Trustor does hereby irrevocably MORTGAGE, GRANT, DEED, BARGAIN, SELL, PLEDGE, ASSIGN, WARRANT, TRANSFER AND CONVEY to Trustee IN TRUST, WITH POWER OF SALE for the benefit and security of Beneficiary and its successors and assigns, the following property, rights, interests and estates now owned, or hereafter acquired by Trustor (collectively, the "Property"):

(a) **Land.** The real property described in Exhibit A-1 attached hereto and made a part hereof (the "Wildwood Land"); the real property described in Exhibit A-2 attached hereto and made a part hereof (the "Clubcreek Land"); the real property described in Exhibit A-3 attached hereto and made a part hereof (the "Riverside Land"); the Wildwood Land, the Clubcreek Land and the Riverside Land may hereinafter be referred to collectively as the "Land";

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

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

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

(e) **Equipment.** All "equipment," as such term is defined in Article 9 of the Uniform Commercial Code (as hereinafter defined), now owned or hereafter acquired by Trustor, which is used at or in connection with the Improvements or the Land or is located thereon or therein (including, but not limited to, all machinery, equipment, furnishings, and electronic data-processing and other office equipment now owned or hereafter acquired by

Trustor and any and all additions, substitutions and replacements of any of the foregoing), together with all attachments, components, parts, equipment and accessories installed thereon or affixed thereto (collectively, the "Equipment"). Notwithstanding the foregoing, Equipment shall not include any property belonging to tenants under leases except to the extent that Trustor shall have any right or interest therein;

(f) Fixtures. All Equipment now owned, or the ownership of which is hereafter acquired, by Trustor which is so related to the Land and the Improvements forming part of the Property that it is deemed fixtures or real property under the law of the particular state in which the Equipment is located, including, without limitation, all building or construction materials intended for construction, reconstruction, alteration or repair of or installation on the Property, construction equipment, appliances, machinery, plant equipment, fittings, apparatuses, fixtures and other items now or hereafter attached to, installed in or used in connection with (temporarily or permanently) any of the Improvements or the Land, including, but not limited to, engines, devices for the operation of pumps, pipes, plumbing, call and sprinkler systems, fire extinguishing apparatuses and equipment, heating, ventilating, incinerating, electrical, air conditioning and air cooling equipment and systems, gas and electric machinery, appurtenances and equipment, pollution control equipment, security systems, disposals, dishwashers, refrigerators and ranges, recreational equipment and facilities of all kinds, and water, gas, electrical, storm and sanitary sewer facilities, utility lines and equipment (whether owned individually or jointly with others, and, if owned jointly, to the extent of Trustor's interest therein) and all other utilities whether or not situated in easements, all water tanks, water supply, water power sites, fuel stations, fuel tanks, fuel supply, and all other structures, together with all accessions, appurtenances, additions, replacements, betterments and substitutions for any of the foregoing and the proceeds thereof (collectively, the "Fixtures"). Notwithstanding the foregoing, "Fixtures" shall not include any property which tenants are entitled to remove pursuant to leases except to the extent that Trustor shall have any right or interest therein;

(g) Personal Property. All furniture, furnishings, objects of art, machinery, goods, tools, supplies, appliances, general intangibles, contract rights, accounts, accounts receivable, franchises, licenses, certificates and permits, and all other personal property of any kind or character whatsoever as defined in and subject to the provisions of the Uniform Commercial Code, whether tangible or intangible, other than Fixtures, which are now or hereafter owned by Trustor and which are located within or about the Land and the Improvements, together with all accessories, replacements and substitutions thereto or therefor and the proceeds thereof (collectively, the "Personal Property"), and the right, title and interest of Trustor in and to any of the Personal Property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state or states where any of the Property is located (the "Uniform Commercial Code"), superior in lien to the lien of this Security Instrument and all proceeds and products of the above;

(h) Leases and Rents. All leases, subleases or sub-subleases, lettings, licenses, concessions or other agreements (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use or occupy all or any portion of the Land and the Improvements, and every modification, amendment or other agreement relating to such leases, subleases, sub-subleases, or other agreements entered into in connection with such leases, subleases, sub-subleases, or other agreements and every guarantee of the performance and

observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into (collectively, the "Leases"), whether before or after the filing by or against Trustor of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time (the "Bankruptcy Code") and all right, title and interest of Trustor, its successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Land and the Improvements whether paid or accruing before or after the filing by or against Trustor of any petition for relief under the Bankruptcy Code (collectively, the "Rents") and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt;

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

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

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

(l) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, proceeds of insurance and condemnation awards, into cash or liquidation claims;

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

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

(o) Trademarks. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(p) Accounts. All reserves, escrows, securities accounts and deposit accounts established or maintained with respect to the Property, including, without limitation, all accounts established pursuant to the (i) the Cash Management Agreement and (ii) the Loan Agreement; together with all deposits or wire transfers made or credited to such accounts and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time and all proceeds, products, distributions or dividends or substitutions thereon and thereof;

(q) Other Rights. Any and all other rights of Trustor in and to the items set forth in Subsections (a) through (p) above.

AND without limiting any of the other provisions of this Security Instrument, to the extent permitted by applicable law, Trustor expressly grants to Beneficiary, as secured party, a security interest in the portion of the Property which is or may be subject to the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and the Fixtures are part and parcel of the Land (the Land, the Improvements and the Fixtures being collectively referred to herein as the "Real Property") appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Security Instrument be deemed conclusively to be real estate and mortgaged hereby.

**Section 1.2 Assignment of Rents**. Trustor hereby absolutely and unconditionally assigns to Beneficiary all of Trustor's right, title and interest in and to all current and future Leases and Rents; it being intended by Trustor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of the Assignment of Leases, the Cash Management Agreement and Section 7.1(h) of this Security Instrument, Beneficiary grants to Trustor a revocable license (which shall be automatically revoked without notice to Trustor upon the occurrence of an Event of Default) to collect, receive, use and enjoy the Rents and Trustor shall hold the Rents, or a portion thereof sufficient to discharge all current sums due on the Debt, for use in the payment of such sums.

**Section 1.3 Security Agreement**. This Security Instrument is both a real property mortgage or deed of trust and a "security agreement" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of Trustor in the Property. By executing and delivering this Security Instrument, Trustor hereby grants to Beneficiary and Trustee, as security for the Obligations (hereinafter defined), a security interest in the Fixtures, the Equipment and the Personal Property to the full extent that the Fixtures, the Equipment and the Personal Property may be subject to the Uniform Commercial Code (said portion of the Property so subject to the Uniform Commercial Code being called the "Collateral"). If an Event of Default (as defined in the Loan Agreement) shall occur and be continuing, Beneficiary or Trustee, in addition to any other rights and remedies which it may have, shall have and may exercise immediately and without demand, any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing, the right to take possession of the Collateral or any part thereof, and to take such other measures as Beneficiary may deem necessary for the care, protection and

preservation of the Collateral. Upon request or demand of Beneficiary or Trustee after the occurrence and during the continuance of an Event of Default, Trustor shall, at its expense, assemble the Collateral and make it available to Beneficiary or Trustee at a convenient place (at the Land if tangible property) reasonably acceptable to Beneficiary. Trustor shall pay to Beneficiary on demand any and all expenses, including reasonable legal expenses and attorneys' fees, incurred or paid by Beneficiary or Trustee in protecting its interest in the Collateral and in enforcing its rights hereunder with respect to the Collateral after the occurrence and during the continuance of an Event of Default. Any notice of sale, disposition or other intended action by Beneficiary with respect to the Collateral sent to Trustor in accordance with the provisions hereof at least ten (10) days prior to such action, shall, except as otherwise provided by applicable law, constitute reasonable notice to Trustor. The proceeds of any disposition of the Collateral, or any part thereof, may, except as otherwise required by applicable law, be applied by Beneficiary to the payment of the Debt in such priority and proportions as Beneficiary in its discretion shall deem proper. Trustor's (debtor's) principal place of business is as set forth on page one hereof and the address of Beneficiary (secured party) is as set forth on page one hereof. Trustor hereby authorizes Beneficiary to file any and all financing statements, amendments to financing statements and extensions of financing statements pertaining to the Collateral.

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

**Section 1.5 Pledges of Monies Held.** Trustor hereby pledges to Beneficiary any and all monies now or hereafter held by Beneficiary or on behalf of Beneficiary, including, without limitation, any sums deposited in the Lockbox Account, the Reserve Funds (as defined in the Loan Agreement) and Net Proceeds (as defined in the Loan Agreement), as additional security for the Obligations until expended or applied as provided in this Security Instrument.

#### CONDITIONS TO GRANT

**TO HAVE AND TO HOLD** the above granted and described Property unto and to the use and benefit of Beneficiary and its successors and assigns, forever, and Trustor does hereby bind itself, its successors and assigns, to **WARRANT AND FOREVER DEFEND** the title to the Property unto Beneficiary against every Person whomsoever lawfully claiming or to claim the same or any part thereof for the purposes and uses herein set forth;

**IN TRUST WITH POWER OF SALE** (to the extent permitted by applicable law), to secure the payment to Beneficiary its indebtedness secured hereby and performance of the Other Obligations (as herein defined) at the time and in the manner provided for in the Note, the Loan Agreement, this Security Instrument and the other Loan Documents;

**PROVIDED, HOWEVER,** that if the principal and interest and all other sums due or to become due under the Note, including, without limitation, any prepayment fees (if any) or exit fees, if any, required pursuant to the terms of the Note or Loan Agreement, shall have



been paid at the time and in the manner stipulated therein and all other sums payable thereunder, hereunder or under the Loan Agreement and all other indebtedness secured hereby shall have been paid and all other covenants contained in this Security Instrument, the Note, the Loan Agreement and the other Loan Documents shall have been performed in full, then, in such case, this Security Instrument shall be satisfied and the estate, right, title and interest of Beneficiary in the Property shall cease, and upon payment to Beneficiary of all reasonable costs and expenses incurred for the preparation of the release hereinafter referenced and all recording costs if allowed by law, Beneficiary shall release this Security Instrument and the lien hereof by proper instrument; provided, however, that Trustor's obligation to indemnify and hold harmless Beneficiary pursuant to the provisions hereof shall survive any such payment or release.

## ARTICLE 2 - DEBT AND OBLIGATIONS SECURED

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

**Section 2.2 Other Obligations.** This Security Instrument and the grants, assignments and transfers made in Article 1 are also given for the purpose of securing the following (the "Other Obligations"):

(a) the performance of all other obligations of Trustor contained herein;

(b) the performance of each obligation of Trustor contained in the Loan Agreement and any other Loan Document; and

(c) the performance of each obligation of Trustor contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, the Loan Agreement or any other Loan Document.

**Section 2.3 Debt and Other Obligations.** Trustor's obligations for the payment of the Debt and the performance of the Other Obligations shall be referred to collectively herein as the "Obligations."

## ARTICLE 3 - TRUSTOR COVENANTS

Trustor covenants and agrees that:

**Section 3.1 Payment of Debt.** Trustor will pay the Debt at the time and in the manner provided in the Loan Agreement, the Note and this Security Instrument.

**Section 3.2 Incorporation by Reference.** All the covenants, conditions and agreements contained in (a) the Loan Agreement, (b) the Note and (c) all and any of the other Loan Documents, are hereby made a part of this Security Instrument to the same extent and with the same force as if fully set forth herein.

**Section 3.3 Insurance.** Trustor shall obtain and maintain, or cause to be maintained, in full force and effect at all times insurance with respect to Trustor and the Property as required pursuant to the Loan Agreement.

**Section 3.4 Maintenance of Property.** Trustor shall cause the Property to be maintained in a good and safe condition and repair. The Improvements, the Fixtures, the Equipment and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Fixtures, the Equipment or the Personal Property, tenant finish and refurbishment of the Improvements) without the consent of Beneficiary. Trustor shall promptly repair, replace or rebuild any part of the Property which may be destroyed by any Casualty (as defined in the Loan Agreement) or become damaged, worn or dilapidated or which may be affected by any Condemnation (as defined in the Loan Agreement), and shall complete and pay for any structure at any time in the process of construction or repair on the Land.

**Section 3.5 Waste.** Trustor shall not commit or suffer any waste of the Property or make any change in the use of the Property which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that might invalidate or allow the cancellation of any Policy (as defined in the Loan Agreement), or do or permit to be done thereon anything that may in any way materially impair the value of the Property or the security of this Security Instrument. Trustor will not, without the prior written consent of Beneficiary, permit any drilling or exploration for or extraction, removal, or production of any minerals from the surface or the subsurface of the Land, regardless of the depth thereof or the method of mining or extraction thereof.

**Section 3.6 Payment for Labor and Materials.**

(a) Trustor will promptly pay when due all bills and costs for labor, materials, and specifically fabricated materials ("Labor and Material Costs") incurred in connection with the Property and never permit to exist beyond the due date thereof in respect of the Property or any part thereof any lien or security interest, even though inferior to the liens and the security interests hereof, and in any event never permit to be created or exist in respect of the Property or any part thereof any other or additional lien or security interest other than the liens or security interests hereof except for the Permitted Encumbrances (as defined in the Loan Agreement).

(b) After prior written notice to Beneficiary, Trustor, at its own expense, may contest by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Labor and Material Costs, provided that (i) no Event of Default has occurred and is continuing under the Loan Agreement, the Note, this Security Instrument or any of the other Loan Documents, (ii) Trustor is permitted to do so under the provisions of any other mortgage, deed of trust or deed to secure debt affecting the Property, (iii) such proceeding shall suspend the collection of the Labor and Material Costs from Trustor and from the Property or Trustor shall have paid all of the Labor and Material Costs under protest, (iv) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which Trustor is subject and shall not constitute a default thereunder, (v) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled

or lost, and (vi) Trustor shall have furnished the security as may be required in the proceeding, or as may be reasonably requested by Beneficiary to insure the payment of any contested Labor and Material Costs, together with all interest and penalties thereon.

**Section 3.7 Performance of Other Agreements.** Trustor shall observe and perform each and every term, covenant and provision to be observed or performed by Trustor pursuant to the Loan Agreement, any other Loan Document and any other agreement or recorded instrument affecting or pertaining to the Property and any amendments, modifications or changes thereto.

**Section 3.8 Change of Name, Identity or Structure.** Trustor shall not change Trustor's name, identity (including its trade name or names) or, if not an individual, Trustor's corporate, partnership or other structure without notifying Beneficiary of such change in writing at least thirty (30) days prior to the effective date of such change and, in the case of a change in Trustor's structure, without first obtaining the prior written consent of Beneficiary. Trustor shall execute and deliver to Beneficiary, prior to or contemporaneously with the effective date of any such change, any financing statement or financing statement change required by Beneficiary to establish or maintain the validity, perfection and priority of the security interest granted herein. At the request of Beneficiary, Trustor shall execute a certificate in form satisfactory to Beneficiary listing the trade names under which Trustor intends to operate the Property, and representing and warranting that Trustor does business under no other trade name with respect to the Property.

**Section 3.9 Title.** Trustor has good, indefeasible and insurable fee simple title to the real property comprising part of the Property and good title to the balance of such Property, free and clear all Liens (as defined in the Loan Agreement) whatsoever except the Permitted Encumbrances, such other Liens as are permitted pursuant to the Loan Documents and the Liens created by the Loan Documents. The Permitted Encumbrances in the aggregate do not materially and adversely affect the value, operation or use of the Property or Trustor's ability to repay the Loan. This Security Instrument, when properly recorded in the appropriate records, together with any Uniform Commercial Code financing statements required to be filed in connection therewith, will create (a) a valid, perfected first priority lien on the Property, subject only to Permitted Encumbrances and the Liens created by the Loan Documents and (b) perfected security interests in and to, and perfected collateral assignments of, all personalty (including the Leases), all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances, such other Liens as are permitted pursuant to the Loan Documents and the Liens created by the Loan Documents. There are no claims for payment for work, labor or materials affecting the Property which are past due and are or may become a lien prior to, or of equal priority with, the Liens created by the Loan Documents unless such claims for payments are being contested in accordance with the terms and conditions of this Security Instrument. Trustor is not, except for Permitted Encumbrances, and will not become a party to or otherwise bound by any agreement, other than this Security Instrument, which restricts in any manner the rights of Beneficiary or any other present or future holder of the Collateral with respect thereto.

#### ARTICLE 4 - OBLIGATIONS AND RELIANCES

**Section 4.1 Relationship of Trustor and Beneficiary.** The relationship between Trustor and Beneficiary is solely that of debtor and creditor, and Beneficiary has no fiduciary or other special relationship with Trustor, and no term or condition of any of the Loan Agreement, the Note, this Security Instrument and the other Loan Documents shall be construed so as to deem the relationship between Trustor and Beneficiary to be other than that of debtor and creditor.

**Section 4.2 No Reliance on Beneficiary.** The general partners, members, principals and (if Trustor is a trust) beneficial owners of Trustor are experienced in the ownership and operation of properties similar to the Property, and Trustor and Beneficiary are relying solely upon such expertise and business plan in connection with the ownership and operation of the Property. Trustor is not relying on Beneficiary's expertise, business acumen or advice in connection with the Property.

**Section 4.3 No Beneficiary Obligations.**

(a) Notwithstanding the provisions of Subsections 1.1(h) and (n) or Section 1.2, Beneficiary is not undertaking the performance of (i) any obligations under the Leases; or (ii) any obligations with respect to such agreements, contracts, certificates, instruments, franchises, permits, trademarks, licenses and other documents.

(b) By accepting or approving anything required to be observed, performed or fulfilled or to be given to Beneficiary pursuant to this Security Instrument, the Loan Agreement, the Note or the other Loan Documents, including, without limitation, any officer's certificate, balance sheet, statement of profit and loss or other financial statement, survey, appraisal, or insurance policy, Beneficiary shall not be deemed to have warranted, consented to, or affirmed the sufficiency, the legality or effectiveness of same, and such acceptance or approval thereof shall not constitute any warranty or affirmation with respect thereto by Beneficiary.

**Section 4.4 Reliance.** Trustor recognizes and acknowledges that in accepting the Loan Agreement, the Note, this Security Instrument and the other Loan Documents, Beneficiary is expressly and primarily relying on the truth and accuracy of the warranties and representations set forth in Section 4.1 of the Loan Agreement without any obligation to investigate the Property and notwithstanding any investigation of the Property by Beneficiary; that such reliance existed on the part of Beneficiary prior to the date hereof, that the warranties and representations are a material inducement to Beneficiary in making the Loan; and that Beneficiary would not be willing to make the Loan and accept this Security Instrument in the absence of the warranties and representations as set forth in Section 4.1 of the Loan Agreement.

#### ARTICLE 5 - FURTHER ASSURANCES

**Section 5.1 Recording of Security Instrument, Etc.** Trustor forthwith upon the execution and delivery of this Security Instrument and thereafter, from time to time, will cause this Security Instrument and any of the other Loan Documents creating a lien or security

interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect and perfect the lien or security interest hereof upon, and the interest of Beneficiary in, the Property. Trustor will pay all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording of the Note, this Security Instrument, the other Loan Documents, any note, deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Security Instrument, any deed of trust or mortgage supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents, except where prohibited by law so to do.

**Section 5.2 Further Acts, etc.** Trustor will, at the cost of Trustor, and without expense to Beneficiary, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, deeds of trust, mortgages, assignments, notices of assignments, transfers and assurances as Beneficiary shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Beneficiary the property and rights hereby mortgaged, deeded, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which Trustor may be or may hereafter become bound to convey or assign to Beneficiary, or for carrying out the intention or facilitating the performance of the terms of this Security Instrument or for filing, registering or recording this Security Instrument, or for complying with all Legal Requirements (as defined in the Loan Agreement). Trustor, on demand, will execute and deliver, and in the event it shall fail to so execute and deliver, hereby authorizes Beneficiary and Trustee to execute in the name of Trustor or without the signature of Trustor to the extent Beneficiary may lawfully do so, one or more financing statements to evidence more effectively the security interest of Beneficiary in the Property. Trustor grants to Beneficiary and Trustee an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Beneficiary at law and in equity, including without limitation, such rights and remedies available to Beneficiary pursuant to this Section 5.2.

**Section 5.3 Changes in Tax, Debt, Credit and Documentary Stamp Laws.**

(a) If any law is enacted or adopted or amended after the date of this Security Instrument which deducts the Debt from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Beneficiary's interest in the Property, Trustor will pay the tax, with interest and penalties thereon, if any. If Beneficiary is advised by counsel chosen by it that the payment of tax by Trustor would be unlawful or taxable to Beneficiary or unenforceable or provide the basis for a defense of usury then Beneficiary shall have the option by written notice of not less than one hundred twenty (120) days to declare the Debt immediately due and payable in full, without any Prepayment Premium or other prepayment consideration, except that if an Event of Default, has occurred, then Trustor shall pay to Beneficiary an additional amount equal to the Prepayment Premium, if any.

(b) Trustor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges (as those terms are defined in the Loan Agreement) assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Security Instrument or the Debt. If such claim, credit or deduction shall be required by law, Beneficiary shall have the option, by written notice of not less than one hundred twenty (120) days, to declare the Debt immediately due and payable in full, without any Prepayment Premium or other prepayment consideration, except that if an Event of Default, has occurred, then Trustor shall pay to Beneficiary an additional amount equal to the Prepayment Premium, if any.

(c) If at any time the United States of America, any State thereof or any subdivision of any such State shall require revenue or other stamps to be affixed to the Note, this Security Instrument, or any of the other Loan Documents or impose any other tax or charge on the same, Trustor will pay for the same, with interest and penalties thereon, if any.

**Section 5.4 Severing of Documents.** This Security Instrument and the Note shall, at any time until the same shall be fully paid and satisfied, at the sole election and sole cost of Beneficiary, be severed into two or more notes and two or more security instruments in such denominations as Beneficiary shall determine in its sole discretion, each of which shall cover all or a portion of the Property to be more particularly described therein. To that end, Trustor, upon reasonable written request of Beneficiary, shall execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered by the then owner of the Property, to Beneficiary and/or its designee or designees substitute notes and security instruments in such principal amounts, aggregating not more than the then unpaid principal amount of this Security Instrument, and containing terms, provisions and clauses similar to those contained herein and in the Note, and such other documents and instruments as may be required by Beneficiary. In addition, in accordance with the Loan Agreement, including Section 9.1 thereof, Beneficiary shall have the right, at any time and at its sole cost (whether prior to or after any sale, participation or Securitization of all or any portion of the Loan), to structure or restructure the Loan (including a restructuring of the Note and/or the creation of a mezzanine loan) into multiple notes (which may include component notes and/or senior and junior notes and/or mezzanine notes) and/or to create participation interests in the Loan and/or the Note, which restructuring may include reallocation of principal amounts of the Loan (and of the Note), the establishment of different interest rates and debt service payments for the Loan, the Note and the payment of the Loan, and the Note in such order of priority as may be designated by Beneficiary; provided that the outstanding principal balance of the Loan of all components immediately after the effective date of such modification equals the outstanding principal balance of the Loan immediately prior to such modification and the weighted average of the interest rates for all components immediately after the effective date of such modification equals the interest rate of the original Note immediately prior to such modification and such restructuring will not materially increase Trustor's obligations and liabilities under the Loan Documents. The provisions of this Section 5.4 shall be subject to any limitations contained in Section 9.2 of the Loan Agreement.

**Section 5.5 Replacement Documents.** Upon receipt of an affidavit of an officer of Beneficiary as to the loss, theft, destruction or mutilation of the Note or any other Loan Document which is not of public record, and, in the case of any such mutilation, upon surrender

and cancellation of such Note or other Loan Document, Trustor will issue, in lieu thereof, a replacement Note or other Loan Document, dated the date of such lost, stolen, destroyed or mutilated Note or other Loan Document in the same principal amount thereof and otherwise of like tenor.

#### ARTICLE 6 - DUE ON SALE/ENCUMBRANCE

**Section 6.1 Beneficiary Reliance.** Trustor acknowledges that Beneficiary has examined and relied on the experience of Trustor and its general partners, members, principals and (if Trustor is a trust) beneficial owners in owning and operating properties such as the Property in agreeing to make the Loan, and will continue to rely on Trustor's ownership of the Property as a means of maintaining the value of the Property as security for repayment of the Debt and the performance of the Other Obligations. Trustor acknowledges that Beneficiary has a valid interest in maintaining the value of the Property so as to ensure that, should Trustor default in the repayment of the Debt or the performance of the Other Obligations, Beneficiary can recover the Debt by a sale of the Property.

**Section 6.2 No Sale/Encumbrance.** Neither Trustor nor any Restricted Party (as defined in the Loan Agreement) shall Transfer (as defined in the Loan Agreement) the Property or any part thereof or any interest therein or permit or suffer the Property or any part thereof or any interest therein to be Transferred other than as expressly permitted pursuant to the terms of the Loan Agreement.

#### ARTICLE 7 - RIGHTS AND REMEDIES UPON DEFAULT

**Section 7.1 Events of Default.** The occurrence of an "Event of Default" under the Loan Agreement or any of the other Loan Documents shall be an "Event of Default" under this Security Instrument.

**Section 7.2 Remedies.** Upon the occurrence and during the continuance of any Event of Default, Trustor agrees that Beneficiary may take such action, without notice or demand, as it deems advisable to protect and enforce its rights against Trustor and in and to the Property, including, but not limited to, the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Beneficiary may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Beneficiary:

(a) accelerate the maturity date of the Note and declare any or all of the indebtedness secured hereby or by any other Loan Document to be immediately due and payable without any presentment, demand, protest, notice or action of any kind whatever (each of which is hereby expressly waived Trustor), whereupon the same shall become immediately due and payable. Upon any such acceleration, payment of such accelerated amount shall constitute a prepayment of the principal balance of the Note and any applicable prepayment fee, if any, or exit fee, if any, provided for in the Note shall then be immediately due and payable;

(b) institute proceedings, judicial or otherwise, for the complete foreclosure of this Security Instrument under any applicable provision of law, in which case the

Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(c) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Debt then due and payable, subject to the continuing lien and security interest of this Security Instrument for the balance of the Debt not then due, unimpaired and without loss of priority;

(d) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Trustor therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels, at such time and place, upon such terms and after such notice thereof as may be required or permitted by law;

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

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

(g) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of Trustor, any Trustor, indemnitor with respect to the Loan or of any Person liable for the payment of the Debt, and Trustor hereby consents to the appointment of such receiver, trustee, liquidator or conservator;

(h) the license granted to Trustor under Section 1.2 hereof shall automatically be revoked and Beneficiary may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Trustor and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude Trustor and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Trustor agrees to surrender possession of the Property and of such books, records and accounts to Beneficiary upon demand, and thereupon Beneficiary may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat; (ii) complete any construction on the Property in such manner and form as Beneficiary deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property; (iv) exercise all rights and powers of Trustor with respect to the Property, whether in the name of Trustor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents of the Property and every part thereof; (v) require Trustor to pay monthly in advance to Beneficiary, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by Trustor; (vi) require Trustor to vacate and surrender possession of the Property to Beneficiary or to such receiver and, in default thereof, Trustor may be evicted by summary proceedings or otherwise; and (vii) apply the receipts from the Property to the



payment of the Debt, in such order, priority and proportions as Beneficiary shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, insurance and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Beneficiary, its counsel, agents and employees;

(i) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (i) the right to take possession of the Fixtures, the Equipment and the Personal Property or any part thereof, and to take such other measures as Beneficiary may deem necessary for the care, protection and preservation of the Fixtures, the Equipment and the Personal Property, and (ii) request Trustor at its expense to assemble the Fixtures, the Equipment and the Personal Property and make it available to Beneficiary or Trustee at a convenient place acceptable to Beneficiary. Any notice of sale, disposition or other intended action by Beneficiary or Trustee with respect to the Fixtures, the Equipment and/or the Personal Property sent to Trustor in accordance with the provisions hereof at least ten (10) days prior to such action, shall constitute commercially reasonable notice to Trustor;

(j) apply any sums then deposited or held in escrow or otherwise by or on behalf of Beneficiary in accordance with the terms of the Loan Agreement, this Security Instrument or any other Loan Document to the payment of the following items in any order in its uncontrolled discretion:

- (i) Taxes and Other Charges,
- (ii) Insurance Premiums (as defined in the Loan Agreement),
- (iii) Interest on the unpaid principal balance of the Note,
- (iv) Amortization of the unpaid principal balance of the Note, and
- (v) All other sums payable pursuant to the Note, the Loan Agreement, this Security Instrument and the other Loan Documents, including without limitation advances made by Beneficiary pursuant to the terms of this Security Instrument;

(k) apply the undisbursed balance of any Net Proceeds Deficiency deposit (as defined in the Loan Agreement), together with interest thereon, to the payment of the Debt in such order, priority and proportions as Beneficiary shall deem to be appropriate in its discretion; or

(l) pursue such other remedies as Beneficiary may have under applicable law.

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

**Section 7.3 Application of Proceeds.** The purchase money, proceeds and avails of any disposition of the Property, and/or any part thereof, or any other sums collected by Beneficiary pursuant to the Note, this Security Instrument or the other Loan Documents, may be applied by Beneficiary to the payment of the Debt in such priority and proportions as Beneficiary in its discretion shall deem proper.

**Section 7.4 Right to Cure Defaults.** Upon the occurrence and during the continuance of any Event of Default, Beneficiary may, but without any obligation to do so and without notice to or demand on Trustor and without releasing Trustor from any obligation hereunder, make any payment or do any act required of Trustor hereunder in such manner and to such extent as Beneficiary may deem necessary to protect the security hereof. Beneficiary is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Security Instrument or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 7.4, shall constitute a portion of the Debt and shall be due and payable to Beneficiary upon demand. All such costs and expenses incurred by Beneficiary in remedying such Event of Default or such failed payment or act or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Default Rate (as defined in the Loan Agreement), for the period after notice from Beneficiary that such cost or expense was incurred to the date of payment to Beneficiary. All such costs and expenses incurred by Beneficiary together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Debt and be secured by this Security Instrument and the other Loan Documents and shall be immediately due and payable upon demand by Beneficiary therefor.

**Section 7.5 Actions and Proceedings.** Beneficiary and Trustee, or either of them, has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of Trustor, which Beneficiary, in its discretion, decides should be brought to protect its interest in the Property.

**Section 7.6 Recovery of Sums Required To Be Paid.** Beneficiary shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Beneficiary thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Trustor existing at the time such earlier action was commenced.

**Section 7.7 Examination of Books and Records.** At reasonable times and upon reasonable notice, Beneficiary, its agents, accountants and attorneys shall have the right to examine the records, books, management and other papers of Trustor which reflect upon its financial condition, at the Property or at any office regularly maintained by Trustor where the books and records are located. Beneficiary and its agents shall have the right to make copies and extracts from the foregoing records and other papers. In addition, at reasonable times and upon reasonable notice, Beneficiary, its agents, accountants and attorneys shall have the right to examine and audit the books and records of Trustor pertaining to the income, expenses and operation of the Property during reasonable business hours at any office of Trustor where the

books and records are located. This Section 7.7 shall apply throughout the term of the Note and without regard to whether an Event of Default has occurred or is continuing.

**Section 7.8 Other Rights, etc.**

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

(b) It is agreed that the risk of loss or damage to the Property is on Trustor, and Beneficiary shall have no liability whatsoever for decline in value of the Property; for failure to maintain the Policies, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Beneficiary shall not be deemed an election of judicial relief if any such possession is requested or obtained with respect to any of the Property or collateral not in Beneficiary's possession.

(c) Beneficiary may resort for the payment of the Debt to any other security held by Beneficiary in such order and manner as Beneficiary, in its discretion, may elect. Beneficiary may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Beneficiary thereafter to foreclose this Security Instrument. The rights of Beneficiary under this Security Instrument shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Beneficiary shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Beneficiary shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

**Section 7.9 Right to Release Any Portion of the Property.** Beneficiary, or Trustee upon written instructions from Beneficiary, may release any portion of the Property for such consideration as Beneficiary may require without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Security Instrument, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Beneficiary for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as Beneficiary may require without being accountable for so doing to any other lienholder. This Security Instrument shall continue as a lien and security interest in the remaining portion of the Property.

**Section 7.10 Violation of Laws.** If the Property is not in material compliance with Legal Requirements, Beneficiary may impose additional requirements upon Trustor in connection herewith including, without limitation, monetary reserves or financial equivalents.

**Section 7.11 Recourse and Choice of Remedies.** Notwithstanding any other provision of this Security Instrument or the Loan Agreement, including, without limitation, Section 9.5 of the Loan Agreement, Beneficiary and other Indemnified Parties (as hereinafter defined) are entitled to enforce the obligations of Trustor, any Trustor and indemnitor contained in Sections 9.2, 9.3 and 9.4 herein without first resorting to or exhausting any security or collateral and without first having recourse to the Note or any of the Property, through foreclosure or acceptance of a deed in lieu of foreclosure or otherwise, and in the event Beneficiary commences a foreclosure action against the Property, Beneficiary is entitled to pursue a deficiency judgment with respect to such obligations against Trustor and any Trustor or indemnitor with respect to the Loan. The provisions of Sections 9.2, 9.3 and 9.4 herein are exceptions to any non-recourse or exculpation provisions in the Loan Agreement, the Note, this Security Instrument or the other Loan Documents, and Trustor and any Trustor or indemnitor with respect to the Loan are fully and personally liable for the obligations pursuant to Sections 9.2, 9.3 and 9.4 herein. The liability of Trustor and any Trustor or indemnitor with respect to the Loan pursuant to Sections 9.2, 9.3 and 9.4 herein is not limited to the original principal amount of the Note. Notwithstanding the foregoing, nothing herein shall inhibit or prevent Beneficiary from foreclosing or exercising any other rights and remedies pursuant to the Loan Agreement, the Note, this Security Instrument and the other Loan Documents, whether simultaneously with foreclosure proceedings or in any other sequence. A separate action or actions may be brought and prosecuted against Trustor pursuant to Sections 9.2, 9.3 and 9.4 herein whether or not action is brought against any other Person or whether or not any other Person is joined in the action or actions. In addition, Beneficiary shall have the right but not the obligation to join and participate in, as a party if it so elects, any administrative or judicial proceedings or actions initiated in connection with any matter addressed in Article 8 or Section 9.4 herein.

**Section 7.12 Right of Entry.** Upon reasonable notice to Trustor, Beneficiary and its agents (including Trustee) shall have the right to enter and inspect the Property at all reasonable times.

**Section 7.13 General Authority.** Trustor hereby irrevocably appoints Beneficiary and any officer or agent thereof as its true and lawful attorney-in-fact, with full power of substitution, in the name of Trustor, Beneficiary or otherwise, for the sole use and benefit of Beneficiary, but at Trustor's expense, to the extent permitted by law, to exercise at any time and from time to time upon the occurrence and during the continuance of an Event of Default all or any of the following powers with respect to all or any of the Property, all acts of such attorney being hereby ratified and confirmed; such power, being coupled with an interest, is irrevocable until the Obligations (excluding contingent indemnification obligations) are paid in full:

(a) to exercise and perfect any and all rights and remedies available to Beneficiary at law or in equity, including without limitation, such rights and remedies available to Beneficiary pursuant to Section 5.1, Section 5.2 and, upon the occurrence of an Event of Default, this Article VII;

(b) to take any and all appropriate action and to execute any and all documents and instruments which may be necessary or desirable to carry out the terms of this Security Instrument;

(c) to receive, take, endorse, assign and deliver any and all checks, notes, drafts, acceptances, documents and other negotiable and non-negotiable instruments taken or received by Trustor as, or in connection with, the Property;

(d) upon the occurrence and during the continuance of an Event of Default, to commence, settle, compromise, compound, prosecute, defend or adjust any claim, suit, action or proceeding with respect to, or in connection with, the Property;

(e) upon the occurrence and during the continuance of an Event of Default, to sell, transfer, assign or otherwise deal in or with the Property or the proceeds or avails thereof, as fully and effectually as if Beneficiary were the absolute owner thereof;

(f) upon the occurrence and during the continuance of an Event of Default, to extend the time of payment of any or all of the Property and to make any allowance and other adjustments with respect thereto; and

(g) to do, at its option, but at the expense of Individual Trustor, at any time or from time to time, all acts and things which Beneficiary reasonably deems necessary to protect or preserve the Property and to realize upon the Property.

#### ARTICLE 8 - ENVIRONMENTAL HAZARDS

**Section 8.1 Environmental Representations and Warranties.** All indemnifications, guarantees, covenants, representations and other assurances made by Trustor to Beneficiary in that certain Environmental Indemnity Agreement of even date herewith (the "Environmental Indemnity Agreement") are hereby incorporated by reference into this Mortgage to the same extent and with the same force and effect as if fully set forth herein.

#### ARTICLE 9 - INDEMNIFICATION

**Section 9.1 General Indemnification.** Trustor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, diminutions in value, fines, penalties, charges, fees, judgments, awards, amounts paid in settlement, punitive damages, and foreseeable and unforeseeable consequential damages, of whatever kind or nature (including, but not limited to, reasonable attorneys' fees and other costs of defense) (collectively, the "Losses") imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) ownership of this Security Instrument, the Property or any interest therein or receipt of any Rents; (b) any amendment to, or restructuring of, the Debt, the Note, the Loan Agreement, this Security Instrument, or any other Loan Documents; (c) any and all lawful action that may be taken by Beneficiary in connection with the enforcement of the provisions of this Security

Instrument, the Loan Agreement, the Note or any of the other Loan Documents, whether or not suit is filed in connection with same, or in connection with Trustor, any Trustor or indemnitor and/or any partner, joint venturer or shareholder thereof becoming a party to a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding; (d) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (e) any use, nonuse or condition in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (f) any failure on the part of Trustor to perform or be in compliance with any of the terms of this Security Instrument, the Note, the Loan Agreement or any of the other Loan Documents; (g) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (h) the failure of any person to file timely with the Internal Revenue Service an accurate Form 1099-B, Statement for Recipients of Proceeds from Real Estate, Broker and Barter Exchange Transactions, which may be required in connection with this Security Instrument, or to supply a copy thereof in a timely fashion to the recipient of the proceeds of the transaction in connection with which this Security Instrument is made; (i) any failure of the Property to be in compliance with any Legal Requirements; (j) the enforcement by any Indemnified Party of the provisions of this Article 9; (k) any and all claims and demands whatsoever which may be asserted against Beneficiary by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any Lease; (l) the payment of any commission, charge or brokerage fee to anyone claiming through Trustor which may be payable in connection with the funding of the Loan; or (m) any misrepresentation made by Trustor in this Security Instrument or any other Loan Document. Any amounts payable to Beneficiary by reason of the application of this Section 9.1 shall become immediately due and payable and shall bear interest at the Default Rate from the date loss or damage is sustained by Beneficiary until paid. For purposes of this Article 9, the term "Indemnified Parties" means Beneficiary, Trustee and any Person who is or will have been involved in the origination of the Loan, any Person who is or will have been involved in the servicing of the Loan secured hereby, any Person in whose name the encumbrance created by this Security Instrument is or will have been recorded, persons and entities who may hold or acquire or will have held a full or partial interest in the Loan secured hereby (including, but not limited to, investors or prospective investors in the Securities (as defined in the Loan Agreement), as well as custodians, trustees and other fiduciaries who hold or have held a full or partial interest in the Loan secured hereby for the benefit of third parties) as well as the respective directors, officers, shareholders, partners, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including, but not limited to, any other Person who holds or acquires or will have held a participation or other full or partial interest in the Loan or the Property, whether during the term of the Loan or as a part of or following a foreclosure of the Loan and any successors by merger, consolidation or acquisition of all or a substantial portion of Beneficiary's assets and business); provided, however, that Trustor shall not have any liability to any Indemnified Party hereunder to the extent that it is finally judicially determined that any Losses arise from the gross negligence or willful misconduct of any such Indemnified Party. Any amounts payable to any Indemnified Party hereunder by reason of the application of this paragraph shall be payable on demand and shall bear interest at the Default Rate from the date of the Losses are sustained by any Indemnified Party until paid. The obligations and liabilities of

Trustor hereunder shall survive the repayment of the Debt and the exercise by Beneficiary of any of its rights and remedies under the Loan Documents, including the acquisition of the Property by foreclosure or a conveyance in lieu of foreclosure.

**Section 9.2 Mortgage and/or Intangible Tax.** Trustor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any tax on the making and/or recording of this Security Instrument, the Note or any of the other Loan Documents, but excluding any income, franchise or other similar taxes.

**Section 9.3 ERISA Indemnification.** Trustor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses (including, without limitation, reasonable attorneys' fees and costs incurred in the investigation, defense, and settlement of Losses incurred in correcting any prohibited transaction or in the sale of a prohibited loan, and in obtaining any individual prohibited transaction exemption under ERISA that may be required, in Beneficiary's sole discretion) that Beneficiary may incur, directly or indirectly, as a result of a default under Sections 4.1.9 or 5.2.12 of the Loan Agreement.

**Section 9.4 Environmental Indemnification.** Trustor shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses (as defined in the Environmental Indemnity Agreement) and costs of Remediation (as defined in the Environmental Indemnity Agreement) (whether or not performed voluntarily), engineers' fees, environmental consultants' fees, and costs of investigation (including, but not limited to, sampling, testing, and analysis of soil, water, air, building materials and other materials and substances whether solid, liquid or gas) imposed upon or incurred by or asserted against any Indemnified Parties, and directly or indirectly arising out of or in any way relating to any one or more of the following: (a) any presence of any Hazardous Substances (as defined in the Environmental Indemnity Agreement) in, on, above, or under the Property; (b) any past, present or threatened Release (as defined in the Environmental Indemnity Agreement) of Hazardous Substances in, on, above, under or from the Property; (c) any activity by Trustor, any Person affiliated with Trustor or any tenant or other user of the Property in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Hazardous Substances at any time located in, under, on or above the Property; (d) any activity by Trustor, any Person affiliated with Trustor or any tenant or other user of the Property in connection with any actual or proposed Remediation of any Hazardous Substances at any time located in, under, on or above the Property, whether or not such Remediation is voluntary or pursuant to court or administrative order, including, but not limited to, any removal, remedial or corrective action; (e) any past or present non-compliance or violations of any Environmental Laws (as defined in the Environmental Indemnity Agreement) (or permits issued pursuant to any Environmental Law) in connection with the Property or operations thereon, including, but not limited to, any failure by Trustor, any Affiliate of Trustor or any tenant or other user of the Property to comply with any order of any Governmental Authority in connection with any Environmental Laws; (f) the imposition, recording or filing of any

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Environmental Lien encumbering the Property; (g) any administrative processes or proceedings or judicial proceedings in any way connected with any matter addressed in Article 8 and this Section 9.4; (h) any past, present or threatened injury to, destruction of or loss of natural resources in any way connected with the Property, including, but not limited to, costs to investigate and assess such injury, destruction or loss; (i) any acts of Trustor or other users of the Property in arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of Hazardous Substances owned or possessed by such Trustor or other users, at any facility or incineration vessel owned or operated by another Person and containing such or any similar Hazardous Substance; (j) any acts of Trustor or other users of the Property in accepting any Hazardous Substances for transport to disposal or treatment facilities, incineration vessels or sites from which there is a Release or a threatened Release of any Hazardous Substance which causes the incurrence of costs for Remediation; (k) any personal injury, wrongful death, or property damage arising under any statutory or common law or tort law theory, including, but not limited to, damages assessed for the maintenance of a private or public nuisance or for the conducting of an abnormally dangerous activity on or near the Property with respect to Hazardous Substances; and (l) any misrepresentation or inaccuracy in any representation or warranty or material breach or failure to perform any covenants or other obligations set forth in the Environmental Indemnity Agreement with respect to Hazardous Substances. This indemnity shall survive any termination, satisfaction or foreclosure of this Security Instrument, subject to the provisions of Section 10.5. The indemnifications set forth in this Section 9.4 shall not be applicable to any Losses to the extent (i) arising from, or caused by, the gross negligence or willful misconduct of Beneficiary or its employees or agents and (ii) occasioned, arising and/or caused solely as a result of any event or condition that first arises subsequent to the date on which (a) Beneficiary (or its transferee) acquires title of the Property (whether at foreclosure, sale, conveyance in lieu of foreclosure or similar transfer) or (b) the Loan has been repaid in full.

#### **Section 9.5 Duty to Defend; Attorneys' Fees and Other Fees and Expenses**

Upon written request by any Indemnified Party, Trustor shall defend such Indemnified Party (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals approved by the Indemnified Parties. Notwithstanding the foregoing, if the defendants in any such claim or proceeding include both Trustor and any Indemnified Party and Trustor and such Indemnified Party shall have reasonably concluded that there are any legal defenses available to it and/or other Indemnified Parties that are different from or additional to those available to Trustor, such Indemnified Party shall have the right to select separate counsel to assert such legal defenses and to otherwise participate in the defense of such action on behalf of such Indemnified Party, provided that no compromise or settlement shall be entered without Trustor's consent, which consent shall not be unreasonably withheld. Upon demand, Trustor shall pay or, in the sole and absolute discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.



## ARTICLE 10 - WAIVERS

**Section 10.1 Waiver of Counterclaim.** To the extent permitted by applicable law, Trustor hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Beneficiary arising out of or in any way connected with this Security Instrument, the Loan Agreement, the Note, any of the other Loan Documents, or the Obligations.

**Section 10.2 Marshalling and Other Matters.** To the extent permitted by applicable law, Trustor hereby waives the benefit of all appraisement, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Trustor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Security Instrument on behalf of Trustor, and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date of this Security Instrument and on behalf of all persons to the extent permitted by applicable law.

**Section 10.3 Waiver of Notice.** To the extent permitted by applicable law, Trustor shall not be entitled to any notices of any nature whatsoever from Beneficiary or Trustee except with respect to matters for which this Security Instrument specifically and expressly provides for the giving of notice by Beneficiary or Trustee to Trustor and except with respect to matters for which Beneficiary is required by applicable law to give notice, and Trustor hereby expressly waives the right to receive any notice from Beneficiary or Trustee with respect to any matter for which this Security Instrument does not specifically and expressly provide for the giving of notice by Beneficiary or Trustee to Trustor.

**Section 10.4 Waiver of Statute of Limitations.** To the extent permitted by applicable law, Trustor hereby expressly waives and releases to the fullest extent permitted by law, the pleading of any statute of limitations as a defense to payment of the Debt or performance of its Other Obligations.

**Section 10.5 Survival.** The indemnifications made pursuant to Sections 9.3 and 9.4 herein and the representations and warranties, covenants, and other obligations arising under Article 8, shall continue indefinitely in full force and effect and shall survive and shall in no way be impaired by any of the following: (a) any satisfaction or other termination of this Security Instrument; (b) any assignment or other transfer of all or any portion of this Security Instrument or Beneficiary's interest in the Property (but, in such case, shall benefit both Indemnified Parties and any assignee or transferee); (c) any exercise of Beneficiary's rights and remedies pursuant hereto, including, but not limited to, foreclosure or acceptance of a deed in lieu of foreclosure; (d) any exercise of any rights and remedies pursuant to the Loan Agreement, the Note or any of the other Loan Documents; (e) any transfer of all or any portion of the Property (whether by Trustor or by Beneficiary following foreclosure or acceptance of a deed in lieu of foreclosure or at any other time); (f) any amendment to this Security Instrument, the Loan Agreement, the Note or the other Loan Documents; and (g) any act or omission that might otherwise be construed as a release or discharge of Trustor from the obligations pursuant hereto.

#### ARTICLE 11 - EXCULPATION

The provisions of Section 9.5 of the Loan Agreement are hereby incorporated by reference into this Security Instrument to the same extent and with the same force as if fully set forth herein.

#### ARTICLE 12 - NOTICES

All notices or other written communications hereunder shall be delivered in accordance with Section 10.6 of the Loan Agreement.

#### ARTICLE 13 - APPLICABLE LAW

**Section 13.1 Governing Law.** This security instrument shall be governed by and construed in accordance with the terms and provisions of Section 10.3 of the Loan Agreement.

**Section 13.2 Usury Laws.** Notwithstanding anything to the contrary contained herein or in any of the other Loan Documents, (a) all agreements and communications between Trustor and Beneficiary are hereby and shall automatically be limited so that, after taking into account all amounts deemed interest, the interest contracted for, charged or received by Beneficiary shall never exceed the maximum lawful rate or amount; (b) in calculating whether any interest exceeds the lawful maximum, all such interest shall be amortized, prorated, allocated and spread over the full amount and term of all principal indebtedness of Trustor to Beneficiary; and (c) if through any contingency or event, Beneficiary receives or is deemed to receive interest in excess of the lawful maximum, any such excess shall be deemed to have been applied toward payment of the principal of any and all then outstanding indebtedness of Trustor to Beneficiary, or if there is no such indebtedness, shall immediately be returned to Trustor.

**Section 13.3 Provisions Subject to Applicable Law.** All rights, powers and remedies provided in this Security Instrument may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any applicable law. If any term of this Security Instrument or any application thereof shall be invalid or unenforceable, the remainder of this Security Instrument and any other application of the term shall not be affected thereby.

#### ARTICLE 14 - DEFINITIONS

All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Security Instrument may be used interchangeably in singular or plural form and the word "Trustor" shall mean "Trustor and any subsequent owner or owners of the Property or any part thereof or any interest therein," the word "Beneficiary" shall mean "Beneficiary and any subsequent holder of the Note," the word "Note"

shall mean "the Note and any other evidence of indebtedness secured by this Security Instrument," the word "Property" shall include any portion of the Property and any interest therein, and the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all external attorneys', paralegal and law clerk fees and disbursements, including, but not limited to, fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Beneficiary in protecting its interest in the Property, the Leases and the Rents and enforcing its rights hereunder.

#### ARTICLE 15 - MISCELLANEOUS PROVISIONS

**Section 15.1 No Oral Change.** This Security Instrument, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Trustor or Beneficiary, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

**Section 15.2 Successors and Assigns.** This Security Instrument shall be binding upon and inure to the benefit of Trustor and Beneficiary and their respective successors and assigns forever.

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

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

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

**Section 15.6 Subrogation.** If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Beneficiary shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Beneficiary and are merged with the lien and security interest created herein as cumulative security for the repayment of the Debt, the performance and discharge of Trustor's obligations hereunder, under the Loan Agreement, the Note and the other Loan Documents and the performance and discharge of the Other Obligations.

**Section 15.7 Entire Agreement.** The Note, the Loan Agreement, this Security Instrument and the other Loan Documents constitute the entire understanding and agreement between Trustor and Beneficiary with respect to the transactions arising in connection with the

Debt and supersede all prior written or oral understandings and agreements between Trustor and Beneficiary with respect thereto. Trustor hereby acknowledges that, except as incorporated in writing in the Note, the Loan Agreement, this Security Instrument and the other Loan Documents, there are not, and were not, and no persons are or were authorized by Beneficiary to make, any representations, understandings, stipulations, agreements or promises, oral or written, with respect to the transaction which is the subject of the Note, the Loan Agreement, this Security Instrument and the other Loan Documents.

**Section 15.8 Limitation on Beneficiary's Responsibility.** No provision of this Security Instrument shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Beneficiary, nor shall it operate to make Beneficiary responsible or liable for any waste committed on the Property by the tenants or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger. Nothing herein contained shall be construed as constituting Beneficiary a "mortgagee in possession."

**Section 15.9 Counterparts.** This Security Instrument may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Security Instrument may be detached from any counterpart of this instrument without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this instrument identical in form hereto but having attached to it one or more additional signature pages.

**Section 15.10 Joint and Several Liability.** If Trustor consists of more than one person or party, the obligations and liabilities of each such person or party shall be joint and several.

#### ARTICLE 16- TRUSTEE'S FEES; SUBSTITUTE TRUSTEE; POWER OF SALE

**Section 16.1 Trustee's Fees.** Trustor shall pay all costs, fees and expenses incurred by Trustee and Trustee's agents and counsel in connection with the performance by Trustee of Trustee's duties hereunder and all such costs, fees and expenses shall be secured by this Security Instrument.

**Section 16.2 Substitute Trustee.** Trustee shall be under no duty to take any action hereunder except as expressly required hereunder or by law, or to perform any act which would involve Trustee in any expense or liability or to institute or defend any suit in respect hereof, unless properly indemnified to Trustee's reasonable satisfaction. Trustee, by acceptance of this Security Instrument, covenants to perform and fulfill the trusts herein created, being liable; however, only for willful negligence or misconduct, and hereby waives any statutory fee and agrees to accept reasonable compensation, in lieu thereof, for any services rendered by Trustee in accordance with the terms hereof. Beneficiary may remove Trustee at any time or from time to time

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

### **Section 16.3. Power of Sale.**

(a) Upon the occurrence of an Event of Default, Trustee, or the agent or successor of Trustee, at the request of Beneficiary, shall sell or offer for sale the Property in such portions, order and parcels as Beneficiary may determine, with or without having first taken possession of same, to the highest bidder for cash at one or more public auctions in accordance with the terms and provisions of the law of the State in which the Property is located. Such sale shall be made at the area within the courthouse of the county in which the Property (or any portion thereof to be sold) is situated (whether the parts or parcels thereof, if any, in different counties are contiguous or not, and without the necessity of having any personal property hereby secured present at such sale) which is designated by the applicable court of such County as the area in which public sales are to take place, or, if no such area is designated, at the area at the courthouse designated in the notice of sale as the area in which the sale will take place, on such day and at such times as permitted under applicable law of the State or Commonwealth where the Property is located, after advertising the time, place and terms of sale and that portion of the Property in accordance with such law, and after having served written or printed notice of the proposed sale by certified mail on each grantor obligated to pay the Note and other secured indebtedness secured by this Security Instrument according to the records of Beneficiary in accordance with applicable law. The affidavit of any person having knowledge of the facts to the effect that such service was completed shall be prima facie evidence of the fact of service.

(b) At any such public sale, Trustee may execute and deliver in the name of Trustor to the purchaser a conveyance of the Property or any part of the Property in fee simple. In the event of any sale under this Security Instrument by virtue of the exercise of the powers herein granted, or pursuant to any order in any judicial proceeding or otherwise, the Property may be sold in its entirety or in separate parcels and in such manner or order as Beneficiary in its sole discretion may elect, and if Beneficiary so elects, Trustee may sell the personal property covered by this Security Instrument at one or more separate sales in any manner permitted by the Uniform Commercial Code of the State in which the Property is located, and one or more exercises of the powers herein granted shall not extinguish or exhaust such powers, until all the Property is sold or the Note and other secured indebtedness is paid in full. If the Note and other secured indebtedness is now or hereafter further secured by any chattel mortgages, pledges, contracts or guaranty, assignments of lease, or other security instruments, Beneficiary at its option may exhaust the remedies granted under any of said security instruments either concurrently or independently, and in such order as Beneficiary may determine.

(c) Upon any foreclosure sale or sales of all or any portion of the Property under the power herein granted, Beneficiary may bid for and purchase the Property and shall be entitled to apply all or any part of the Debt as a credit to the purchase price.

(d) In the event of a foreclosure or a sale of all or any portion of the Property under the power herein granted, the proceeds of said sale shall be applied, in whatever order Beneficiary in its sole discretion may decide, to the expenses of such sale and of all proceedings in connection therewith (including, without limitation, attorneys' fees and expenses), to fees and expenses of Trustee (including, without limitation, Trustee's attorneys' fees and expenses), to insurance premiums, liens, assessments, taxes and charges (including, without limitation, utility charges advanced by Beneficiary), to payment of the outstanding principal balance of the Debt, and to the accrued interest on all of the foregoing; and the remainder, if any, shall be paid to Trustor, or to the person or entity lawfully entitled thereto.

(e) Trustee's Commission. Immediately upon the filing or docketing of suit preliminary to a foreclosure sale of the Property, or any part thereof under this Deed of Trust, there shall be and become due and owing by Trustor, a customary and reasonable Trustees' commission and a customary and reasonable auctioneer's commission, and Beneficiary shall not be required to receive the principal and interest in satisfaction of the indebtedness secured hereby, but said sale may be proceeded with unless, prior to the day appointed therefor, tender is made of said principal, interest, commissions and all expenses and costs incident to such sale and all other sums that are part of the indebtedness secured hereby.

(f) Trustee May Be Attorney. Trustee may act hereunder and may sell and convey the Trust Property as herein provided although Trustee has been, may now be or may hereafter be, an attorney or agent of Beneficiary, in respect of any matter of business whatsoever.

(g) Disability of Trustee. It is further understood and agreed that in the event of the disability of one of the trustees, or of such trustee's absence from the Commonwealth of Virginia, the rights, powers, privileges, discretions, duties, obligations and trust hereby created and reposed in the trustees may be executed by the other trustees or trustee with the same legal force, effect and virtue as though executed by both or all of them.

#### ARTICLE 17- STATE-SPECIFIC PROVISIONS

**Section 17.1 Principles of Construction.** In the event of any inconsistencies between the terms and conditions of this Article 17 and the terms and conditions of this Security Instrument, the terms and conditions of this Article 17 shall control and be binding.

**Section 17.2 Assignment of Leases and Rents Amended.** The assignments of Leases and Rents set forth in this Security Instrument are not intended to constitute payment to Lender or Trustee unless Trustor's license to collect Rents is terminated, and then only to the extent that the Rents are actually received by Lender (as opposed to constituting a portion of the voluntary payments of principal and interest on the Note) and are not used for the operation or maintenance of the Property or for the payment of costs and expenses in connection therewith, taxes, assessments, water charges, sewer rents, and other charges levied, assessed or imposed against the Property, insurance premiums, costs and expenses with respect to any litigation

affecting the Property, the leases, the concessions, and the rent, any wages and salaries of employees, commissions of agents and attorneys fees. It is further the intent of Trustor and Lender that the Rents hereby absolutely assigned are no longer, during the term of this Security Instrument, property of Trustor or property of any estate of Trustor as defined in 11 U.S.C. § 541 and shall not constitute collateral, cash or otherwise, of Trustor. The term Rents as used herein shall mean the gross rents without deduction or offsets of any kind.

### Section 17.3 Additional Remedy Provisions.

(a) **Delivery Upon Sale.** Upon the completion of any sale or sales pursuant hereto, Trustee shall execute and deliver to the accepted purchaser or purchasers a good and sufficient instrument, or good and sufficient instruments, conveying, assigning and transferring all estate, right, title and interest in and to the property and rights sold by general warranty of title. Trustee is hereby irrevocably appointed the true and lawful attorney of Trustor, in its name and stead, to make all necessary conveyances, assignments, transfers and deliveries of the Property and rights so sold and for that purpose Trustee may execute all necessary instruments of conveyance, assignment and transfer, and may substitute one or more persons with like power, Trustor hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof. Any sale or sales made under or by virtue of this section, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, shall operate to divest all the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of Trustor in and to the properties and rights so sold, and shall be a perpetual bar both at law and in equity against Trustor and against any and all persons claiming or who may claim the same, or any part thereof from, through or under Trustor.

(b) **Option to Bid.** Upon any sale made under or by virtue of this paragraph, whether made under the power of sale herein granted or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Lender may bid for and acquire the Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Debt the net sales price after deducting therefrom the expenses of the sale and costs of the action and any other sums which Lender is authorized to deduct under this Security Instrument.

(c) **Remaining Liens.** No recovery of any judgment by Lender and no levy of an execution under any judgment upon the Property or upon any other property of Trustor shall affect in any manner or to any extent the lien of this Security Instrument upon the Property or any part thereof, or any liens, rights, powers or remedies of Lender hereunder, but such liens, rights, powers and remedies of Lender shall continue unimpaired as before.

(d) **No Waiver of Remedies.** Lender may resort to any remedies and the security given by the Note, the Loan Agreement, this Security Instrument or the other Loan Documents in whole or in part, and in such portions and in such order as determined by Lender's sole discretion. No such action shall in any way be considered a waiver of any rights, benefits or remedies evidenced or provided by the Note, the Loan Agreement, this Security Instrument or any of the other Loan Documents. The failure of Lender to exercise any right, remedy or option provided in the Note, the Loan Agreement, this Security Instrument or any of the other Loan

Documents shall not be deemed a waiver of such right, remedy or option or of any covenant or obligation secured by the Note, the Loan Agreement, this Security Instrument or the other Loan Documents. No acceptance by Lender of any payment after the occurrence of any Event of Default and no payment by Lender of any obligation for which Trustor is liable hereunder shall be deemed to waive or cure any Event of Default with respect to Trustor, or Trustor's liability to pay such obligation. No sale of all or any portion of the Property, no forbearance on the part of Lender, and no extension of time for the payment of the whole or any portion of the Debt or any other indulgence given by Lender to Trustor, shall operate to release or in any manner affect the interest of Lender in the remaining Property or the liability of Trustor to pay the Debt. No waiver by Lender shall be effective unless it is in writing and then only to the extent specifically stated. All costs and expenses of Lender in exercising its rights and remedies under this Security Instrument (including reasonable attorneys' fees and disbursements to the extent permitted by law), shall be paid by Trustor immediately upon notice from Lender, and such costs and expenses shall constitute a portion of the Debt and shall be secured by this Security Instrument.

(e) No Waiver Continued. The interests and rights of Lender under the Note, the Loan Agreement, this Security Instrument or in any of the other Loan Documents shall not be impaired by any indulgence, including (A) any renewal, extension or modification which Lender may grant with respect to any of the Debt, (B) any surrender, compromise, release, renewal, extension, exchange or substitution which Lender may grant with respect to the Property or any portion thereof; or (C) any release or indulgence granted to any maker, endorser, guarantor or surety of any of the Debt.

(f) Foreclosure. Upon the occurrence and during the continuance of any Event of Default, Lender may request Trustee to proceed with foreclosure under the power of sale which is hereby conferred, such foreclosure to be accomplished in accordance with the following provisions:

(i) Public Sale. Trustee is hereby authorized and empowered, and it shall be Trustee's special duty, upon such request of Lender, to sell the Property, or any part thereof, at public auction to the highest bidder for cash, with or without having taken possession of same. Any such sale (including notice thereof) shall comply with the applicable requirements, at the time of the sale, of Section 51.002 of the Texas Property Code or, if and to the extent such statute is not then in force, with the applicable requirements, at the time of the sale, of the successor statute or statutes, if any, governing sales of Texas real property under powers of sale conferred by deeds of trust. If there is no statute in force at the time of the sale governing sales of Texas real property under powers of sale conferred by deeds of trust, such sale shall comply with applicable law, at the time of the sale, governing sales of Texas real property under powers of sale conferred by deeds of trust. Trustee or his successor or substitute may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Trustee, including the posting of notices, and the conduct of sale, but in the name and on behalf of Trustee, his successor or substitute.



(ii) Right to Require Proof of Financial Ability and/or Cash Bid.

To the extent permitted by applicable law, any time during the bidding, the Trustee may require a bidding party (A) to disclose its full name, state and city of residence, occupation, and specific business office location, and the name and address of the principal the bidding party is representing (if applicable), and (B) to demonstrate reasonable evidence of the bidding party's financial ability (or, if applicable, the financial ability of the principal of such bidding party), as a condition to the bidding party submitting bids at the foreclosure sale. If any such bidding party (the "Questioned Bidder") declines to comply with the Trustee's requirement in this regard, or if such Questioned Bidder does respond but the Trustee, in Trustee's sole and absolute discretion, deems the information or the evidence of the financial ability of the Questioned Bidder (or, if applicable, the principal of such bidding party) to be inadequate, then the Trustee may continue the bidding with reservation; and in such event (1) the Trustee shall be authorized to caution the Questioned Bidder concerning the legal obligations to be incurred in submitting bids, and (2) if the Questioned Bidder is not the highest bidder at the sale, or if having been the highest bidder the Questioned Bidder fails to deliver the cash purchase price payment promptly to the Trustee, all bids by the Questioned Bidder shall be null and void. The Trustee may, in Trustee's sole and absolute discretion, determine that a credit bid may be in the best interest of the Trustor and Lender, and elect to sell the Property for credit or for a combination of cash and credit; provided, however, that the Trustee shall have no obligation to accept any bid except an all cash bid. In the event the Trustee requires a cash bid and cash is not delivered within a reasonable time after conclusion of the bidding process, as specified by the Trustee, but in no event later than 3:45 p.m. local time on the day of sale, then said contingent sale shall be null and void, the bidding process may be recommenced, and any subsequent bids or sale shall be made as if no prior bids were made or accepted.

(iii) Sale Subject to Unmatured Debt. In addition to the rights and

powers of sale granted under the preceding provisions of this subsection (f), if default is made in the payment of any installment of the Debt and is not cured within applicable cure periods, Lender may, at Lender's option, at once or at any time thereafter while any matured installment remains unpaid, without declaring the entire Debt to be due and payable, orally or in writing direct Trustee to enforce this Security Instrument and to sell the Property subject to such unmatured Debt and to the rights, powers, liens, security interests, and assignments securing or providing recourse for payment of such unmatured Debt, in the same manner, all as provided in the preceding provisions of this subsection. Sales made without maturing the Debt may be made hereunder whenever there is a default in the payment of any installment of the Debt, without exhausting the power of sale granted hereby, and without affecting in any way the power of sale granted under this subsection, the unmatured balance of the Debt or the rights, powers, liens, security interests, and assignments securing or providing recourse for payment of the Debt.

(iv) **Partial Foreclosure.** Sale of a part of the Property shall not exhaust the power of sale, but sales may be made from time to time until the Debt is paid in full. It is intended by each of the foregoing provisions of this subsection that Trustee may, after any request or direction by Lender, sell not only the Land and the Improvements, but also the Fixtures and other interests constituting a part of the Property or any part thereof, along with the Land and the Improvements or any part thereof, as a unit and as a part of a single sale, or may sell at any time or from time to time any part or parts of the Property separately from the remainder of the Property. It shall not be necessary to have present or to exhibit any of the Property at any sale. Any sale of personal property made hereunder shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with, or as part of, and upon the same notice as required for the sale of real property under the power of sale granted herein.

(v) **Trustee's Deeds.** After any sale under this subsection, Trustee shall make good and sufficient deeds, assignments, and other conveyances to the purchaser or purchasers thereunder in the name of Trustor, conveying the Property or any part thereof so sold to the purchaser or purchasers with general warranty of title by Trustor. It is agreed that in any deeds, assignments or other conveyances given by Trustee, any and all statements of fact or other recitals therein made as to the identity of Lender, the occurrence or existence of any Event of Default, the notice of intention to accelerate, or acceleration of, the maturity of the Debt, the request to sell, notice of sale, time, place, terms and manner of sale, and receipt, distribution, and application of the money realized therefrom, the due and proper appointment of a substitute trustee, and without being limited by the foregoing, any other act or thing having been duly done by or on behalf of Lender or by or on behalf of Trustee, shall be taken by all courts of law and equity as prima facie evidence that such statements or recitals state true, correct, and complete facts and Trustor does hereby ratify and confirm any and all acts that Trustee may lawfully do in the premises, by virtue hereof.

**Section 17.4 Inapplicability of Credit Code.** In no event shall the provisions of Chapter 346 of the Texas Finance Code (which regulates certain revolving credit loan accounts and revolving triparty accounts) apply to the loan evidenced by the Loan Documents and/or secured hereby.

**Section 17.5 Entire Agreement.** THIS SECURITY INSTRUMENT AND THE OTHER LOAN DOCUMENTS EMBODY THE FINAL, ENTIRE AGREEMENT AMONG THE PARTIES HERETO AND SUPERSEDE ANY AND ALL PRIOR COMMITMENTS, AGREEMENTS, REPRESENTATIONS AND UNDERSTANDINGS, WHETHER WRITTEN OR ORAL, RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND MAY NOT BE CONTRADICTED OR VARIED BY EVIDENCE OR PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OR DISCUSSIONS OF THE PARTIES HERETO. THERE ARE NO ORAL AGREEMENTS AMONG THE PARTIES HERETO.

**Section 17.6 Maturity Date.** The obligations under the Note have a final maturity date of November 11, 2011, or such other date on which the final payment of principal of the Note becomes due and payable as provided in the Note or the Loan Agreement.

**Section 17.7 NOTICE OF INDEMNIFICATION.** TRUSTOR ACKNOWLEDGES THAT THIS SECURITY INSTRUMENT PROVIDES FOR INDEMNIFICATION OF LENDER AND TRUSTEE BY TRUSTOR. EXCEPT FOR THE GROSS NEGLIGENCE, WILLFUL MISCONDUCT, BAD FAITH, FRAUD, OR ILLEGAL ACTS OF LENDER, ITS AGENTS, EMPLOYEES OR CONTRACTORS WHICH SHALL BE EXCLUDED FROM THE INDEMNIFICATION OF TRUSTOR, IT IS SPECIFICALLY INTENDED BY TRUSTOR, LENDER, AND TRUSTEE THAT ALL INDEMNITY DEBT AND LIABILITIES ASSUMED BY TRUSTOR HEREUNDER BE WITHOUT LIMIT AND WITHOUT REGARD TO THE CAUSE OR CAUSES THEREOF (INCLUDING PREEXISTING CONDITIONS), STRICT LIABILITY, OR THE NEGLIGENCE OF ANY PARTY OR PARTIES (INCLUDING LENDER AND TRUSTEE) WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR PASSIVE. THE PARTIES SPECIFICALLY INTEND THAT LENDER AND TRUSTEE ARE TO BE INDEMNIFIED AGAINST THEIR OWN NEGLIGENCE.

**Section 17.8 Future Advances.** This Security Instrument shall secure any and all future advances of the proceeds of the Loan made to Trustor by Lender pursuant to the terms of the Loan Agreement. This provision shall not constitute an obligation upon or commitment of Lender to make additional advances or loans to Trustor.

**Section 17.9 Location, State of Formation and Name of Trustor.** Each of the Trustor's:

- (a) chief executive office is located at 12100 Wilshire Blvd., Suite 250, Los Angeles, California 90025;
- (b) state of formation is the State of Texas; and
- (c) exact legal name is as set forth in the first paragraph of this Security Instrument.

[NO FURTHER TEXT ON THIS PAGE]

**IN WITNESS WHEREOF**, this Deed of Trust, Assignment of Leases and Rents and Security Agreement has been executed by Trustor as of the day and year first above written.

**TRUSTEE:**

**AUSTIN TEXAS WILDWOOD APARTMENTS,  
LP, a Texas limited partnership**

By: **AUSTIN TEXAS WILDWOOD  
APARTMENTS, LLC**, a Delaware limited  
liability company doing business in the State  
of Texas as Hillside Forest Apartments, LLC,  
its general partner

**By:**

Name: Richard J. Nathan  
Title: President

**AUSTIN TEXAS CLUBCREEK APARTMENTS,  
LP, a Texas limited partnership**

By: **AUSTIN TEXAS CLUBCREEK  
APARTMENTS, LLC**, a Delaware limited  
liability company, doing business in the State  
of Texas as **Crescent View Apartments,  
LLC**, its general partner

By:

**Name:** Richard J. Nathan  
**Title:** President

**VILLAGE AT RIVERSIDE APARTMENTS**  
TEXAS, LP, a Texas limited partnership

By: **VILLAGE AT RIVERSIDE  
APARTMENTS TEXAS, LLC**, a Delaware  
limited liability company, doing business in  
the State of Texas as Old Time Village  
Apartments, LLC, its general partner

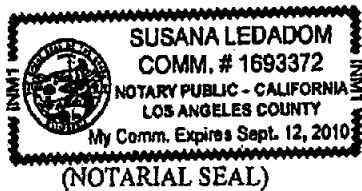
By:

**Name:** Richard J. Nathan  
**Title:** President

STATE OF CALIFORNIA )  
COUNTY OF LOS ANGELES ) ss.

On this 29th day of October, 2006, before me, a Notary Public in and for said County and State, personally appeared Richard J. Nathan, personally known and acknowledged ~~himself~~ herself to me to be the President of Austin Texas Clubcreek Apartments, LP, a Texas limited partnership, and that as such President, being duly authorized to do so, executed and acknowledged the foregoing instrument for the purposes therein contained on behalf.

IN WITNESS THEREOF, I have hereunto set my hand and official seal.



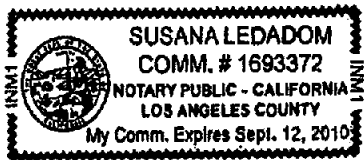
Notary  
My commission expires: 9/12/10

**FORM OF ACKNOWLEDGMENT**

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF LOS ANGELES )

On this 29<sup>th</sup> day of October, 2006, before me, a Notary Public in and for said County and State, personally appeared Richard J. Nathan, personally known and acknowledged ~~herself~~ *himself* to me to be the President of Austin Texas Wildwood Apartments, LP, a Texas limited partnership, and that as such President, being duly authorized to do so, executed and acknowledged the foregoing instrument for the purposes therein contained on behalf.

IN WITNESS THEREOF, I have hereunto set my hand and official seal.



(NOTARIAL SEAL)

A handwritten signature in dark ink, appearing to be "S. Ledadam", written over a horizontal line.

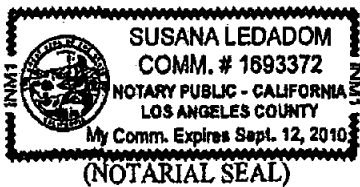
Notary

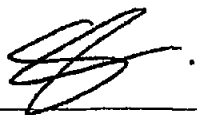
My commission expires: 9/12/10

STATE OF CALIFORNIA )  
 ) ss.  
COUNTY OF LOS ANGELES

On this 29TH day of October, 2006, before me, a Notary Public in and for said County and State, personally appeared Richard J. Nathan, personally known and acknowledged ~~himself~~ <sup>himself</sup> to me to be the President of Village At Riverside Apartments Texas, LP, a Texas limited partnership, and that as such President, being duly authorized to do so, executed and acknowledged the foregoing instrument for the purposes therein contained on behalf.

IN WITNESS THEREOF, I have hereunto set my hand and official seal.



  
\_\_\_\_\_  
Notary  
My commission expires: 9/12/10

**EXHIBIT A-1**

**(Legal Description)**

BEING a 12.210 acre tract of land out of and a portion of Lots One (1) and Two (2) of the Cameron Park Subdivision, Section Four (4) of record in Book 83, Page 157-D of the Plat Records of Travis County, Texas, being all of the said Lots 1 and 2, save and except those two tracts of land designated as Parcel 23, Parts One (1) and Two (2) as described in an instrument of record to The State of Texas of record in Volume 12615, Page 629 of the Real Property Records of Travis County, Texas, said 12.210 acres being more particularly described by metes and bounds as follows:

BEGINNING at a 1/2 inch iron rod found marking the Easternmost corner of the Reagan Hills Subdivision of record in Volume 46, Page 29 of the said Plat Records, the North right of way line of Cameron Road (a variable width public roadway) and being the Southernmost corner of the herein described tract;

THENCE N 56 deg. 56 min. 32 sec. W with the Northeast line of the said Reagan Hill Subdivision, the Southwest line of the said Lot 1 and the Southwest line of the herein described tract for a distance of 326.86 to a 1/2 inch rod found making the south corner of that certain tract of land as described in an instrument to Edward Joseph of record in Volume 3482, Page 1776 of the said Real Property Records, the West corner of the said lot 1 and being the West corner of the herein described tract;

THENCE N 29 deg. 20 min. 43 sec. E (bearing basis as per the Cameron Park Subdivision Plat) with the Southeast line of the said Joseph tract, the Northwest line of the said Lots 1 and 2 and the Northwest line of the herein described tract for a distance of 895.94 feet to a TXDOT concrete monument with brass disc found marking the Westernmost corner of the said State of Texas tract designated as Part 1 and being the Northernmost corner of the herein described tract;

THENCE S 62 deg. 39 min. 36 sec. E over and across the said lot 2, with the Southwest line of the said State of Texas tract designated as Part 1 and with the Westernmost North line of the herein described tract for a distance of 6.88 feet to a TXDOT concrete monument with brass disc found marking and angle point in the north line of the herein described tract;

THENCE S 87 deg. 16 min. 53 sec. E over and across the said Lot 2, with the South line of the said State of Texas tract designated as Part 1 and with the Easternmost North line of the herein described tract for a distance of 225.64 to a point marking the east corner of the said State of Texas tract designated as Part 1, the North line of the said Lot 2, the South right of way US Highway No. 183 (East Anderson Lane) and being an angle point on the North line of the herein described tract;

THENCE S 61 deg. 36 min. 36 sec. E with the North line of the said Lot 2, the South line of the said US Highway No. 183 and the central most North line of the herein described for a distance



of 356.09 to a point marking the Northwest corner of the said State of Texas tract designated as Part 2 and being an angle point in the North line of the herein described tract;

THENCE S 12 deg. 09 min. 45 sec. E, over and across the said Lot 2, with the west line of the said State of Texas tract designated as Part 2 and with the Easternmost North line of the herein described tract for a distance of 151.36 feet to a point marking the South corner of the said State of Texas tract designated as Part 2, the West line of the said Cameron Road, the East line of the said lot 2 and being the Northeast corner of the herein described tract;

THENCE S 16 deg. 33 min. 40 sec. W with the East line of the said Lot 2, the West line of the said Cameron Road and the East line of there herein described tract for a distance of 46.40 feet to an angle point in the East line of the herein described tract;

THENCE S 32 deg. 50 min. 27 sec. W with the East line of the said Lot 2, the West line of the said Cameron Road and the East line of the herein described tract for a distance of 257.48 feet to a 1/2 inch rod found marking the beginning of a curve to the right, said curve values are Delta 03 deg. 35 min. 47 sec. and chord bearing and distance of S 34 deg. 15 min. 54 sec. W - 35.45 feet to a 1/2 inch rod found marking that certain 0.43 acre tract of land as described in an instrument to B. Keller of record in Volume 1744, Page 388, Real Property Records; an angle point on the East line of the said Lot 2 and being an angle point on the East line of the herein described tract;

THENCE N 47 deg. 09 min. 43 sec. W with the East line of the said 0.43 acre tract, an East line of the said Lot 2 and an East line of the herein described tract for a distance of 141.95 feet to a 1/2 inch rod found marking the North corner of the said 0.43 acre tract, an angle point in the East line of the said Lot 2 and being an angle point in the East line of the herein described tract;

THENCE S 46 deg. 28 min. 49 sec. W with the Southeast line of the said Lot 1 and 2, passing the common corner of Lots 1 and 2 at 28.79 feet, continuing with the Northwest line of the said 0.43 acre tract, the Northwest line of that certain 0.35 acre tract of land as described in an instrument to J. Kahlbau of record in Volume 2685, Page 10 of the said Real Property Records and with an East line of the herein described tract for a distance of 218.73 to a 1/2 inch rod found marking the West corner of the said 0.35 acre tract, the north corner of that certain 0.3 acre tract of land as described in an instrument to Jessie Garza Jr. of record in Volume 7678, Page 477 of the said Real Property Records, an angle point in the Southeast line of the said Lot 1 and being an angle point in the Southeast line of the herein described tract;

THENCE S 50 deg. 35 min. 32 sec. W with the Northwest line of the said 0.3 acre tract, the Southeast line of the said Lot 1 and a Southeast line of there herein described tract for a distance of 99.82 feet to a 1/2 inch rod found marking the West corner of the said 0.3 acre tract, an angle point on the East line of the said Lot 1 and an angle point on the East line of the herein described tract;

THENCE S 41 deg. 42 min. 44 sec. E with the Southwest line of the said 0.3 acre tract, the Southeast line of the said Lot 1 and an East line of the herein described tract for a distance of 114.81 to a TXDOT concrete with brass disc found marking the South corner of the said 0.3 acre



**EXHIBIT A-2**

**(Legal Description)**

BEING all of Lot 1, Northwend Phase B, Section One-C, a subdivision recorded in Book 83, Page 220B of the Travis County, Texas Plat Records. Said tract being more particularly described by metes and bounds as follows:

BEGINNING at a nail found on the North ROW of Longspur Boulevard West (60 feet ROW) at the South common corner of said Lot 1 and Lot 2 for the Southwest corner of this tract and the POINT OF BEGINNING.

THENCE with the common line of Lots 1 and 2 the following two (2) courses:

1. North 13 deg. 31 min. 36 sec. East, 161.87 feet to an iron pin found at a point of curve to the right;
2. Along said curve to the right whose elements are Delta equals 34 deg. 43 min. 19 sec., R equals 455.36 L equals 275.95 whose chord bears North 30 deg. 54 min. 07 sec. East, 271.75 feet to an iron pin set at the North common corner of said Lots 1 and 2, also being on the South line of tract conveyed to Jim Ray Trustee in Volume 7170, Page 144 of the Travis County, Texas Real Property Records for the Northwest corner of this tract;

THENCE South 63 deg. 10 min. 00 sec. East, with the South line of Jim Ray Trustee tract, 676.12 feet to an iron pin found at the Northeast corner of said Lot 1, also being the Northwest corner of North Creek East Section 1, a subdivision recorded in Book 50, Page 55 of the Travis County, Texas Plat Records of the Northeast corner of this tract;

THENCE with the common line of said Lot 1 and North Creek East the following three (3) courses:

1. South 30 deg. 33 min. 44 sec. West, 45.39 feet to an iron pin found;
2. South 29 deg. 12 min. 09 sec. West, 193.81 feet to an iron pin found;
3. South 28 deg. 55 min. 00 sec. West, 150.62 feet to an iron pin found at the South common corner of said North Creek East and said Lot 1, also being on the North ROW of Longspur Boulevard West for the Southeast corner of this tract;

THENCE with the North ROW of Longspur Boulevard West the following three (3) courses:

1. North 59 deg. 14 min. 08 sec. West, 293.18 feet to an iron pin found at a point of curve to the left;
2. Along said curve to the left whose elements are Delta equals 20 deg. 16 min. 03 sec., R equals 673.98, L equals 238.41 whose chord bears North 69 deg. 25 min. 44 sec. West, 237.17 feet to an iron pin found at a point of tangency;
3. North 79 deg. 33 min. 03 sec. West, 118.27 feet to the POINT OF BEGINNING and containing 6.0444 acres.

**EXHIBIT A-3**

**(Legal Description)**

Lot 1, Block A, Crossing Place Addition, a Subdivision in Travis County, Texas, according to the map or plat of record in Doc No. 1999001B1, Official Public records of Travis County, Texas.

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EXH. A-1

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Doc Date	
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Doc Type Group	WFM - New Loan and Acquisition Packages
Doc Type	WFM - New Loan and Acquisition Packages
Workflow Indicator	N

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