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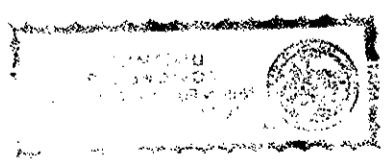
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RICHARD H. TAKECHI
REGISTER OF DEEDS
DOUGLAS COUNTY, NE

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Return to Heatter/Security

TERRACE GARDENS

32 REAL ESTATE MORTGAGE—(With Tax Clause)

The Hoffman General Supply House, Lincoln, Nebr.

KNOW ALL MEN BY THESE PRESENTS: That VMS NATIONAL PROPERTIES, an Illinois general partnership (the "Mortgagor") having an address at c/o VMS Realty Partners, 8700 West Bryn Mawr Avenue, Chicago, Illinois 60631, County of Cook, and State of Illinois,

do hereby MORTGAGE unto CONTITRADE SERVICES CORPORATION, a Delaware corporation (the "Mortgagee") having an address at 277 Park Avenue, New York, New York 10172 of New York County, State of New York, the following described premises situated in Douglas County, and State of Nebraska, to wit:

See Schedule A attached.

The intention being to convey hereby an absolute title in fee simple, including all the rights of homestead and dower. TO HAVE AND TO HOLD the premises above described, with all the appurtenances thereunto belonging, unto the said mortgagee(s) and to his, her or their heirs and assigns forever, provided always, and these presents are upon the express condition that if the said mortgagor(s), his her or their heirs, executors, administrators or assigns shall pay or cause to be paid to the said mortgagee(s), his, her or their heirs, executors, administrators or assigns, the principal sum of \$ 4,000,000.00 payable as follows, to wit:

According to the terms and conditions of a Promissory Note of even date herewith made by VMS NATIONAL PROPERTIES and payable to CONTITRADE SERVICES CORPORATION, together with the interest in certain proceeds as described in the Rider attached hereto, which is hereby incorporated by reference.

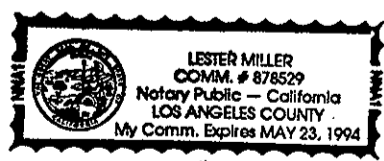
with interest according to the tenor and effect of the mortgagors written promissory note bearing even date with these presents and shall pay all taxes and assessments levied upon said real estate, and all other taxes, levies and assessments levied upon this mortgage or the note which this mortgage is given to secure, before the same becomes delinquent, and keep the buildings on said premises insured for the sum of \$ loss, if any, payable to the said mortgagee, then these presents to be void, otherwise to be and remain in full force.

IT IS FURTHER AGREED (1) That if the said mortgagor shall fail*to pay such taxes or procure such insurance, the said mortgagee may pay such taxes and procure such insurance; and the sum so advanced, with interest at per cent, shall be repaid by said mortgagor, and this mortgage shall stand as security for the same. (2) That a failure*to pay any of said money, either principal or interest, when the same becomes due, or a failure*to comply with any of the foregoing agreements, shall cause the whole sum of money herein secured to become due and collectible at once at the option of the mortgagee.*beyond applicable notice and grace periods THE RIDER ATTACHED HERETO IS INCLUDED HEREIN AND MADE A PART HEREOF.

Signed this 1 day of October, 19 93

In presence of Lester Miller

VMS NATIONAL PROPERTIES By: Greg H. Smith, Authorized Signatory



NOTARIAL SEAL AFFIXED REGISTER OF DEEDS

PLEASE RECORD AND RETURN TO:

Varet & Fink P.C. 53 Wall Street New York, New York 10005 Attention: Ray A. Mantle, Esq.

RIDER TO DEED OF TRUST, MORTGAGE OR ACT OF MORTGAGE

This RIDER TO DEED OF TRUST, MORTGAGE OR ACT OF MORTGAGE (this "Rider") dated as of September 1, 1993 made by and between mortgagor or grantor VMS NATIONAL PROPERTIES, an Illinois general partnership in which VMS National Residential Portfolio I and VMS National Residential Portfolio II, both Illinois limited partnerships, are the sole general partners, having an address at c/o VMS Realty Partners, 8700 West Bryn Mawr Avenue, Chicago, Illinois 60631 ("Borrower"), and mortgagee or beneficiary CONTITRADE SERVICES CORPORATION, a Delaware corporation having an address at 277 Park Avenue, New York, New York 10172 ("Lender").

This Rider is, and is hereby made and included as, a part of the printed form of deed of trust, mortgage, act of mortgage or similar instrument to which it is attached.

This Deed of Trust, Mortgage or Act of Mortgage is one of 17 counterparts (including a personal property security agreement for the Crosswood Park complex) constituting in the aggregate a single Deed of Trust, Mortgage and Act of Mortgage and security agreement, with such counterparts having been made and executed for the purpose of enabling the recordation of this Deed of Trust, Mortgage and Act of Mortgage in recording offices in various counties and states. Each counterpart may have certain variations in its terms for the purpose of compliance with local jurisdictional requirements but shall, however, be construed, interpreted and enforced as one single Deed of Trust, Mortgage and Act of Mortgage notwithstanding the existence of separate instruments.

The terms, conditions and provisions of this Rider shall prevail over and supersede the terms, conditions and provisions of the printed form to which this Rider is attached, provided that any terms, conditions or provisions of said printed form that may be necessary for the recordation of this instrument in the jurisdiction in which the Property (as hereinafter defined) is located, for the granting of a mortgage lien or for the enforcement of Lender's rights and remedies shall (to the extent necessary) prevail and not be superseded, and Lender and Borrower shall have the benefit and/or burdens thereof.

If said printed form is a mortgage or act of mortgage, then all following references to "Deed of Trust" shall automatically be deemed to be references to "Mortgage", all following references to Borrower's grant of title to the Property shall automatically be deemed to be references to the granting of a mortgage lien in the Property as provided in said

printed form, all following references to Trustee's sale or power of sale or the like shall automatically be deemed to be references to foreclosure, and, upon the occurrence and continuance of a default beyond applicable notice and grace periods, Lender shall have the right to foreclose on the Property in accordance with the law of said jurisdiction notwithstanding the following references to Trustee's sale or power of sale or the like, subject, however, to the requirement in Section 24 hereof that Lender first obtain or seek to obtain the appointment of a receiver (or similar remedy) before foreclosing or exercising a power of sale pursuant to Section 33 hereof.

This Rider continues on the following pages notwithstanding the caption "Deed of Trust, Assignment of Rents and Security Agreement" on the next page.

PLEASE RECORD AND
RETURN TO:

Terrace Gardens
Nebraska

Varet & Fink P.C.
53 Wall Street
New York, New York 10005
Attention: Ray A. Mantle, Esq.

Index this Instrument as:

- (i) a Deed of Trust;
- (ii) an Assignment of Rents; and
- (iii) a Fixture Filing

DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

SUBORDINATED

NOTICE: THIS DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT CONTAINS A SUBORDINATION CLAUSE WHICH MAY RESULT IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.

This DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT made as of September 1, 1993, between trustor/grantor VMS NATIONAL PROPERTIES, an Illinois general partnership in which VMS National Residential Portfolio I and VMS National Residential Portfolio II, both Illinois limited partnerships, are the sole general partners, having an address at c/o VMS Realty Partners, 8700 West Bryn Mawr Avenue, Chicago, Illinois 60631 ("Borrower"), grantee/trustee ContiTrade Services Corporation, a Delaware corporation having an address at 277 Park Avenue, New York, New York 10172 ("Trustee"), and beneficiary CONTITRADE SERVICES CORPORATION, a Delaware corporation having an address at 277 Park Avenue, New York, New York 10172 ("Lender").

This Deed of Trust, Assignment of Rents and Security Agreement is one of 17 counterparts (including a personal property security agreement for the Crosswood Park complex, which shall collectively be referred to herein as this "Deed of Trust") constituting in the aggregate a single Deed of Trust and security

agreement with such counterparts having been made and executed and for the purpose of enabling the recordation of this Deed of Trust in recording offices in various counties and states. Each counterpart may have certain variations in their terms for the purpose of compliance with local jurisdictional requirements but shall, however, be construed, interpreted and enforced as one single Deed of Trust notwithstanding the existence of separate instruments.

Capitalized terms as used herein shall have the meanings given to such terms in Section 41 hereof, and in the event that a capitalized term is not so defined, shall have the meaning set forth in the "Plan" (as such term is hereinafter defined).

WITNESSETH: That Borrower grants to Trustee in Trust, with Power of Sale, the particular property named at the top of the first page of this Deed of Trust and described more fully on Schedule A attached hereto (the "Property"), it being recognized that this Deed of Trust is a counterpart of a single Deed of Trust encumbering all those certain properties (including without limitation the Property), together with the improvements thereon situated, listed on Schedule 1 attached hereto, and, as more particularly set forth herein, certain terms, covenants and conditions shall have different applications to certain of the Retained Complexes and more specifically to the Bellevue Tower and North Park Terrace Retained Complexes;

Together with the rents, issues and profits thereof and the accounts receivable related thereto, subject, however, to the right, power and authority hereinafter given to and conferred upon Lender to collect and apply such rents, issues and profits;

Together with all fixtures, fittings, furniture, furnishings, appliances, apparatus, equipment, machinery, inventory and articles of personal property and additions thereto and replacements thereof, other than those owned by lessees or sublessees, contractors or licensees, now or at any time hereafter affixed to, attached to, placed upon, or used in any way in connection with the present or future use, enjoyment, occupancy or operation of the Property;

Together with all of the easements, rights, privileges and appurtenances (including without limitation any air or development rights) belonging or in any wise appertaining to the Property, and all of the estate, right, title, interest, claim or demand whatsoever of Borrower therein and in the rights-of-way, common elements, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, tenements, hereditaments and appurtenances of any nature whatsoever, in any way belonging, relating or pertaining to the Property, either in law or in equity, in possession or expectancy, now or hereafter acquired;

Together with all accounts receivable and insurance related to all of the foregoing; and

Together with all proceeds of all of the foregoing;

For the purpose of securing: (1) payment of the sum of \$4,000,000.00 with interest thereon according to the terms of a Promissory Note (the "ContiTrade Note") of even date herewith made by Borrower and payable to the order of Lender, and any modifications, consolidations, extensions or renewals thereof; (2) payment to Lender of Lender's allocations of the "Net Plan Fund Proceeds" under Article V B 2 e of the Plan, and all extensions, renewals, modifications, amendments and replacements thereof and any advances which may be made pursuant thereto (herein, the "ContiTrade Pool Distributions"); and (3) the performance of each and all of the covenants and agreements of Borrower contained in the Plan or this Deed of Trust.

To secure further the payments to Lender of the ContiTrade Pool Distributions, Borrower hereby grants to Lender a security interest in and to all allocations from the Plan Fund to VMS Realty Partners, an Illinois general partnership, VMS National Residual Portfolio I and VMS National Residential Portfolio II, both Illinois limited partnerships, made pursuant to the Plan, provided that this security interest shall not cover, affect or extend to any and all allocations of Residual Proceeds to the FDIC pursuant to Article V of the Plan.

(The Property, together with all the property aforesaid, and all the Retained Complexes, are hereinafter referred to, collectively, as the "Collateral").

As to any of the Collateral which does not form a part and parcel of the real estate, this Deed of Trust is and is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such Collateral, which is hereby granted to Lender as "Secured Party" (as said term is defined in the Uniform Commercial Code), securing the aforesaid indebtedness and obligations. Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code in respect of the Collateral. If permitted in the applicable jurisdiction, the filing or recordation of this Deed of Trust shall constitute the filing of a Financing Statement under the Uniform Commercial Code.

This Deed of Trust is made pursuant to the Second Amended and Restated Plan of Reorganization of Borrower (the "Plan") in the Chapter 11 bankruptcy proceeding, In re VMS National Properties (Bankr. C.D. Cal., Case No. LA 91-65783-GM), as confirmed pursuant to an order dated March 12, 1993 of the United States Bankruptcy Court for the Central District of California (the "Court").

To implement and protect the security of this Deed of Trust, and with respect to the Collateral, Borrower expressly makes each and all of the following agreements and adopts and agrees to perform and be bound by each and all of the following terms and provisions:

Borrower and Lender covenant and agree as follows:

1. APPLICATIONS OF GROSS RECEIPTS AND ANNUAL REPORTS.

(a) Gross Receipts and Property Expenditures shall be determined by Borrower consistently in accordance with standard cash receipts and disbursements accounting procedures on an annual basis for each calendar year (commencing with calendar year 1993), and Borrower shall deliver a report of such calculations to Lender no later than the April 1 next following each such calendar year (with the first such report being due April 1, 1994). (Each such report shall contain the information required under and the applications and payments made pursuant to Section 3.)

This Section 1 and Section 3 of this Deed of Trust as well as any other provision of this Deed of Trust shall be interpreted to require application on an individual Property basis and not in the aggregate. This Deed of Trust shall be uniform with and integrated with other obligations under the Plan of Borrower payable to the FDIC as to which any application of funds is determined on an individual Property basis.

Both on a current basis during each such calendar year and upon the presentation of each such annual report to Lender unless applicable law provides otherwise, and subject to Section 3(c) and (d) below, Borrower shall apply or cause to be applied all Gross Receipts from the Property as follows and in the following order of priority:

(i) first, to pay all Property Expenditures:

(ii) second, as to any Gross Receipts remaining after the payments under (i) above, to payment of the debt service under any and all Senior Deeds of Trust;

(iii) third, as to any Gross Receipts remaining after the payments under (ii) above, to payment of the monthly installments under Section 4.1 of the FDIC Restated Note for the Property;

(iv) fourth, as to any Gross Receipts remaining after the payments under (iii) above, to pay or reserve for Capital Expenditures for the Property and/or any of the NAN Retained Complexes;

(v) fifth, as to any Gross Receipts remaining after the payments or reserves under (iv) above, to pay the unpaid balance of "Deferred Interest" under the FDIC Restated Note for the Property;

(vi) sixth, as to any Gross Receipts remaining after the payments under (v) above, to pay the unpaid balances of the various "Deferred Interests" under the NAN Retained Complex Notes to be divided and applied in the manner for "Deferred Interests" set forth in clauses (1) and (2) of Section 3(a)(v) of this Deed of Trust;

(vii) seventh, as to any Gross Receipts remaining after the payments under (vi) above, to pay the unpaid balance of "Agreed Valuation Amount" under the FDIC Restated Note for the Property; and

(viii) eighth, as to any Gross Receipts remaining after the payments under (vii) above, to pay the unpaid balances of the various "Agreed Valuation Amounts" under the NAN Retained Complex Notes, to be divided and applied in the manner for Agreed Valuation Amounts set forth in clauses (1) and (2) of Section 3(a)(v) of this Deed of Trust;

(ix) ninth, as to any Gross Receipts remaining after the payments under (viii) above, as payment to Borrower for inclusion in the Plan Fund for application to the Partnership Advance Account until an aggregate sum shall have been paid by: [a] Remaining Cash Flow from the Property and all Retained Complexes, [b] Remaining Refinancing Proceeds from the Property and all Retained Complexes, [c] Remaining Sales Proceeds from the Property and all Retained Complexes, and [d] Remaining Foreclosure Proceeds from the Property and all Retained Complexes in repayment of the Partnership Advance Account in an amount equal to the aggregate of: (x) \$13,500,000.00, plus (y) the additional amounts of cash dedicated, and advanced, to Capital Expenditures under Article VI A of the Plan, plus (z) interest on such \$13,500,000.00 (from the Effective Date) and on such additional amounts of Partnership Cash dedicated to Capital Expenditures (from the respective dates of dedication) at the rate of 10% per annum, compounded monthly; and

(x) tenth, as to any Gross Receipts remaining after the payments in (ix) above, as payment to Borrower and to the FDIC in equal shares pari passu as a distribution of Residual Proceeds. The portion of Residual Proceeds payable to Borrower shall be included in the Plan Fund.

(b) Inclusions in the Plan Fund shall be applied and paid as set forth in subsections 3(b), (c) and (d) of this Deed of Trust.

2. SECURED OBLIGATIONS. From and after the Effective Date, this Deed of Trust shall secure the following:

(a) the repayment of the indebtedness evidenced by the ContiTrade Note, including, without limitation, interest as provided therein, and any and all late charges, costs and fees required thereunder, and all extensions, renewals, modifications, amendments and replacements of the ContiTrade Note;

(b) payment to Lender of portions of the proceeds of any Permitted Sale or Permitted Refinancing or of portions of Gross Receipts pursuant to Section 3;

(c) the payment of all other sums which may be advanced by or otherwise due to Trustee or Lender or any holder of the ContiTrade Note and this Deed of Trust, with interest thereon at the rate provided in the ContiTrade Note or herein or therein and the performance of each and all of the covenants and agreements of Borrower contained in the ContiTrade Note and this Deed of Trust; and

(d) the payment by Borrower of the ContiTrade Pool Distributions as due under the Plan, and the performance by Borrower of the terms, provisions, and covenants of the Plan.

3. APPLICATION OF PAYMENTS.

(a) Unless applicable law provides otherwise, and subject to (b), (c) and (d) below, Borrower shall apply or cause to be applied all proceeds from each Permitted Sale or Permitted Refinancing of the Property as follows and in the following order of priority;

(i) first, to the reduction of the Senior Deeds of Trust (if any) to the extent the same shall be paid or reduced in conjunction with such refinancing or sale;

(ii) second, as to any proceeds remaining after full satisfaction under (i) above, to pay solely the amounts required to be paid under Section 4.6 of the FDIC Restated Note for the Property, to be applied first to accrued and unpaid interest at the Pay Rate, if any, second to "Deferred Interest" and third to "Agreed Valuation Amount" under the FDIC Restated Note for the Property;

(iii) third, as to any proceeds remaining after full satisfaction under (ii) above, to pay the

costs and expenses of obtaining such a Permitted Refinancing or Permitted Sale, as the case may be;

(iv) fourth, as to any proceeds remaining after full satisfaction under (iii) above, to fund and pay for Capital Expenditures for any of the NAN Retained Complexes;

(v) fifth, as to any proceeds remaining after full satisfaction under (iv) above, to pay the unpaid balances of any amounts required to be paid under Section 4.6 of all NAN Retained Complex Notes related to the NAN Retained Complexes that continue to be owned by Borrower after closure of such refinancing or sale ("Remaining Proceeds"); provided, that all Remaining Proceeds received by Lender shall:

(1) on or before the second anniversary of the Effective Date be divided and applied amongst the outstanding balances of the various "Agreed Valuation Amounts" and "Deferred Interests" under the NAN Retained Complex Notes as and in the amounts Borrower shall designate, as long as such Remaining Proceeds are applied first to all such "Deferred Interests" until they are paid in full and second to all such "Agreed Valuation Amounts" until they are paid in full; and

(2) after the second anniversary of the Effective Date be divided and applied first among the outstanding balances of the various "Deferred Interests" under the NAN Retained Complex Notes and second among the outstanding balances of the various "Agreed Valuation Amounts" under the NAN Retained Complex Notes, in both cases pro rata based upon the respective "Agreed Valuation Amounts" under such NAN Retained Complex Notes; and

(vi) sixth, as to any proceeds remaining after full satisfaction under (v) above, as payment to Borrower for inclusion in the Plan Fund for application to the Partnership Advance Account until an aggregate sum shall have been paid by: [a] Remaining Cash Flow from the Property and all Retained Complexes, [b] Remaining Refinancing Proceeds from the Property and all Retained Complexes, [c] Remaining Sales Proceeds from the Property and all Retained Complexes, and [d] Remaining Foreclosure Proceeds from the Property and all Retained Complexes; in repayment of the Partnership Advance Account in an amount equal to the aggregate of: (x) \$13,500,000.00, plus (y) the additional amounts of cash dedicated, and advanced, to Capital Expenditures under Article VI A of the Plan, plus (z) interest on

such \$13,500,000.00 (from the Effective Date) and on such additional amounts of Partnership Cash dedicated to Capital Expenditures (from the respective dates of dedication) at the rate of 10% per annum, compounded monthly; and

(vii) seventh, as to any proceeds remaining after full satisfaction under (vi) above, as payment to Borrower and to the FDIC in equal shares pari passu as a distribution of Residual Proceeds. The portion of Residual Proceeds payable to Borrower shall be included in the Plan Fund.

(b) Borrower shall apply and pay all inclusions in the Plan Fund first to the holders of, and on account of, all Allowed Class 3-B Claims, as defined in and pursuant to the Plan, until all Allowed Class 3-B Claims have been paid in full. Thereafter, on the annual basis set forth in Section 3.2 of the ContiTrade Note, Borrower shall apply and pay the balance of such inclusions in the Plan Fund, if any, in payment to Lender on account of Section 4 of the ContiTrade Note until that Note is paid in full, at which time the balance of the Plan Fund will be allocated as provided in the Plan.

(c) For each of the Retained Complexes known as Bellevue Tower and North Park Terrace (a/k/a Carlisle Square), the payments to such Retained Complexes from Retained Complexes other than Bellevue Tower and North Park Terrace, respectively, under Subsections 1(a)(iv), (vi) and (viii) and Subsections 3(a)(iv) and (v) of this Deed of Trust shall not be made and thus (whether such payments are derived from Gross Receipts, sales proceeds or refinancing proceeds) each of Bellevue Tower and North Park Terrace shall be treated together as isolated from the 16 other Retained Complexes. Thus, for example, if Bellevue Tower shall have Refinancing Proceeds after full satisfaction under (a)(iii) above, such Refinancing Proceeds shall not be applied to fund and pay for Capital Expenditures for any other NAN Retained Complex. Similarly if a sale of another Retained Complex results in sales proceeds that are to be applied to Deferred Interest at Retained Complexes under Subsection 3(a)(v)(1) above, Bellevue Tower and North Park Terrace would not be recipient Retained Complexes. Accordingly, in the event of any Gross Receipts, sales proceeds or refinancing proceeds with respect to Bellevue Tower or North Park Terrace, Subsection 3(a)(vi) payments shall follow 3(a)(iii) payments other than reserves or payments to Capital Expenditures for Bellevue Tower or North Park Terrace, respectively.

(d) Any Partnership Cash not constituting Remaining Cash Flow, Remaining Sales Proceeds or Remaining Refinancing Proceeds, other than Partnership Cash required for reserves by Borrower, shall be entirely paid to Borrower for

inclusion in the Plan Fund and allocation as provided in the Plan.

(e) Notwithstanding the foregoing provisions to the contrary, unless applicable law provides otherwise, proceeds of any sale of the Property in foreclosure or under power of sale under the FDIC Deed of Trust or the FDIC Residual Proceeds Deed of Trust shall be applied in the following order:

(i) first, to all costs and expenses of the sale, including, but not limited to, Trustee's and attorneys' fees and costs of title evidence;

(ii) second, as to any proceeds remaining after full satisfaction under (i) above, to pay solely all sums due on account of the FDIC Restated Note, without regard to Section 4.6 thereof, in such order as Lender, in Lender's sole discretion, directs;

(iii) third, as to any proceeds remaining after full satisfaction under (ii) above, to pay the unpaid balances of any amounts required to be paid under Section 4.6 of all NAN Retained Complex Notes related to the NAN Retained Complexes that continue to be owned by Borrower after completion of the sale of the Property in foreclosure or under power of sale under the FDIC Deed of Trust or the FDIC Residual Proceeds Deed of Trust ("Remaining Foreclosure Proceeds"); provided, that all Remaining Foreclosure Proceeds received by Lender shall:

(x) on or before the second anniversary of the Effective Date be divided and applied amongst the outstanding balances of the various Agreed Valuation Amounts and Deferred Interests under the NAN Retained Complex Notes as and in the amounts Borrower shall designate, as long as such Remaining Proceeds are applied first to all such Deferred Interests until they are paid in full and second to all such Agreed Valuation Amounts until they are paid in full; and

(y) after the second anniversary of the Effective Date be divided and applied first among the outstanding balances of the various Deferred Interests under the NAN Retained Complex Notes and second among the outstanding balances of the Agreed Valuation Amounts under the NAN Retained Complex Notes, in both cases pro rata based upon the respective Agreed Valuation Amounts under such NAN Retained Complex Notes;

(iv) fourth, as to any proceeds remaining after full satisfaction under (iii) above, as payment to

Borrower for inclusion in the Plan Fund for application to the Partnership Advance Account until an aggregate sum shall have been paid by: [a] Remaining Cash Flow from the Property and all Retained Complexes, [b] Remaining Refinancing Proceeds from the Property and all Retained Complexes; [c] Remaining Sales Proceeds from the Property and all Retained Complexes, and [d] Remaining Foreclosure Proceeds from the Property and all Retained Complexes in repayment of the Partnership Advance Account in an amount equal to the aggregate of: [x] \$13,500,000.00, plus [y] the additional amounts of cash dedicated, and advanced, to capital improvements under Article VI(A) of the Plan, plus [z] interest on such \$13,500,000.00 (from the Effective Date), and on such additional amounts of Partnership Cash dedicated to capital improvements (from the respective dates of dedication) at the rate of 10% per annum, compounded monthly; and

(v) fifth, as to any proceeds remaining after full satisfaction under (iv) above, as payment to Borrower and to Lender in equal shares pari passu as a distribution of Residual Proceeds. The portion of Residual Proceeds payable to Borrower shall be included in the Plan Fund.

All such inclusions in the Plan Fund shall be applied and paid as provided in paragraph [b], [c] and [d] of this Section 3.

4. CHARGES; LIENS. Except to the extent the provisions of this Section 4 conflict with the provisions of any Senior Deeds of Trust, the FDIC Deeds of Trust, or the FDIC Residual Proceeds Deeds of Trust, Borrower shall pay when due, directly to the party entitled to receive payment, or in such other manner as Lender may designate in writing, all water and sewer rates, rents, taxes, assessments, premiums for fire and other hazard insurance, liability insurance, rent loss insurance and such other insurance as Borrower may be required to maintain pursuant to Section 6 hereof, premiums for any mortgage insurance, and other impositions attributable to or affecting the Property. Borrower shall upon Lender's reasonable request promptly furnish to Lender all notices of amounts due under this Section 4 and receipts evidencing such payments. Borrower shall within sixty (60) days after Borrower receives notice thereof promptly discharge any lien which has, or may have, priority over or equality with the lien of this Deed of Trust (other than the Senior Deeds of Trust, the FDIC Deeds of Trust, the FDIC Residual Proceeds Deeds of Trust and the lien of any deed of trust or deeds of trust which under the provisions of Section 28 hereof are prior to the lien of this Deed of Trust) and Borrower shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property; provided, however, that the Borrower shall not be in default under this

sentence if a bona fide dispute exists with any such person as to the amount or validity of such claim and Borrower contests such claim diligently in good faith.

5. FUNDS FOR TAXES, INSURANCE AND OTHER CHARGES.

Borrower shall establish and maintain impound accounts for taxes and insurance as required under the Plan ("the Funds"). Borrower shall give to Lender, without charge, an annual accounting of the Funds held in trust for Lender by Borrower.

6. HAZARD INSURANCE; LIABILITY INSURANCE.

(a) Subject to the provisions of Section 10, Borrower shall keep the improvements now existing or hereafter erected on the Property insured by carriers with a "Best" rating of A or better. The improvements shall be insured against loss by fire, hazards included within the term "extended coverage", rent loss and such other hazards, casualties, liabilities and contingencies as Lender shall reasonably require, with the amount of coverage to be equal to the full insurable value of the Property and all improvements on the Property. In addition, Borrower shall at all times maintain in force a comprehensive liability and property damage insurance policy naming Lender as an additional insured in the face amount of at least \$5,000,000.00 and shall maintain worker's compensation insurance coverage in the amounts required by law.

(b) All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a 438 BFU or similar lender's loss payable endorsement in favor of and in form reasonably acceptable to Lender, and may only be canceled or modified upon not less than ten (10) days' prior written notice to Lender. Insurance carriers, policy forms and the form of coverage accepted by Lender in connection with any previous loan made by Lender and secured by the Property shall continue to be acceptable to Lender. Umbrella or blanket policies covering other real property of Borrower as well as the Property shall be acceptable to the extent that they provide the coverage required under this Section 6, provided however in no event shall the premiums to be charged for any property covered by an umbrella policy, which is not a Retained Complex, be disproportionate when compared to the premiums charged for the Retained Complexes, which determination shall be made by Lender utilizing a reasonableness standard. Upon Lender's reasonable request, Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums or copies thereof certified by Borrower as true, correct and accurate copies of the originals. At least seven (7) days prior to the expiration date of a policy, Borrower shall deliver to Lender a renewal certificate in form reasonably satisfactory to Lender.

(c) In the event of loss in excess of \$100,000.00, Borrower shall give prompt written notice to the insurance

carrier and to Lender. In the event of loss in excess of \$100,000.00 and subject to the provisions of Section 10, Borrower hereby authorizes and empowers Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, to deduct therefrom Lender's expenses incurred in the collection of such proceeds and to disburse to Borrower the proceeds received by Lender, subject to Lender's commercially reasonable standards for disbursement of construction loan proceeds, for the cost of reconstruction or repair of the Property; provided however, that nothing contained in this Section 6 shall require Lender to incur any expense or take any action hereunder. Borrower further authorizes Lender, at Lender's option, in the event of total loss and destruction of the improvements upon the Property, but otherwise at Borrower's option, (a) to disburse to Borrower the proceeds received by Lender for the cost of reconstruction, refurbishment or repair of the Property or other improvement or refurbishment of the Property, subject to Lender's commercially reasonable standards for disbursement of construction loan proceeds, or (b) to apply the balance of such proceeds to the payment of the sums secured by this Deed of Trust, whether or not then due, (all subject, however, to the rights of the holders of Senior Deeds of Trust, the FDIC Deeds of Trust, and the FDIC Residual Proceeds Deeds of Trust having prior liens on the Property) in the order of application set forth in Section 3.

(d) If the insurance proceeds are utilized by Borrower for the cost of restoration and repair of the Property, the Property shall be restored to the substantial equivalent of its original condition or such other condition as Lender may reasonably approve in writing. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval (which approval shall not be unreasonably withheld or delayed) of such plans and specifications of an architect reasonably satisfactory to Lender, contractor's cost estimates, architect's certificates, waivers of liens, sworn statements of mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Lender may reasonably require. If the Property is sold pursuant to a Permitted Sale or if Lender acquires title to the Property, Lender shall have all of the right, title and interest of Borrower in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Property prior to such sale or acquisition, subject to the rights of the holders of Senior Deeds of Trust, the FDIC Deeds of Trust, and the FDIC Residual Proceeds Deeds of Trust on the Property.

7. PRESERVATION AND MAINTENANCE OF PROPERTY;
LEASEHOLDS. Borrower (a) shall not commit waste or permit impairment or deterioration of the Property (except ordinary wear

and tear), (b) shall not abandon the Property except as permitted under the FDIC Deed of Trust or FDIC Residual Proceeds Deed of Trust, (c) shall restore or repair promptly and in a good and workmanlike manner all or any of the Property to the substantial equivalent of its original condition, or such other condition as Lender may reasonably approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon in good repair and shall replace fixtures, equipment, machinery and appliance on the Property when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall provide for professional management of the Property by a rental property manager reasonably satisfactory to Lender with respect to which Lender has provided its written concurrence, (g) shall generally operate and maintain the Property in a commercially reasonable manner to ensure maximum rentals in light of the circumstances of the Property, (h) shall promptly notify Lender in writing of any damage to the Property in excess of \$100,000.00, and (i) shall give notice in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this Deed of Trust or the rights or powers of Lender. Borrower shall not and shall not permit or consent any tenant or other person to remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

8. USE OF PROPERTY. Unless required by applicable law or unless Lender has otherwise agreed in writing, the Property shall be primarily used as a residential apartment complex. In all events Borrower shall not allow changes in the use for which all or any part of the Property was intended at the time this Deed of Trust was executed.

9. LEASES OF THE PROPERTY.

(a) As used in this Section 9, the word "lease" shall mean "sublease" if this Deed of Trust is on a leasehold. Borrower shall comply with and observe Borrower's obligations as landlord under all leases of the Property or any part thereof. All leases hereafter entered into will be in form subject to the reasonable approval of Lender. All future leases of the Property shall specifically provide that such leases are subordinate to this Deed of Trust; that the tenant attorns to Lender, effective upon Lender's acquisition of title to the Property; and that Lender may, at Lender's option, accept or reject such attornments. Borrower shall not, without Lender's written consent (i) accept prepayments of rent exceeding three (3) months

under any leases of any part of the Property; or (ii) impair Borrower's rights and interest with respect to Rents (as hereinafter defined in Section 11). If Borrower becomes aware that any tenant proposes to do, or is doing, any act or thing which may give rise to any right of set-off against rent, Borrower shall take such steps as shall be reasonably calculated to prevent the accrual of any right to a set-off against rent.

(b) Upon Lender's request, and subject to the rights of holders of Senior Deeds of Trust, the FDIC Deeds of Trust, and the FDIC Residual Proceeds Deeds of Trust, Borrower shall assign to Lender, by written instrument satisfactory to Lender, all leases now existing or hereafter made of all or any part of the Property and all security deposits made by tenants in connection with such leases of the Property. Upon assignment by Borrower to Lender of any leases of the Property, Lender shall have all of the rights and powers possessed by Borrower prior to such assignment and Lender shall have the right to modify, extend or terminate such existing leases and to execute new leases, in Lender's sole discretion.

10. SUBORDINATION. The provisions of Sections 5, 6, 7, 9, 11, 13, 16 and 22 of this Deed of Trust are subject to the prior rights of holders of Senior Deeds of Trust, FDIC Deeds of Trust and FDIC Residual Proceeds Deeds of Trust to exercise rights similar to those granted to the Lender in this Deed of Trust. Lender agrees that so long as such holders of Senior Deeds of Trust, the FDIC Deeds of Trust, or the FDIC Residual Proceeds Deeds of Trust are entitled to exercise such rights, the Lender's rights will be subordinate thereto and Lender shall take no action under the applicable Section of this Deed of Trust; for example, if a holder of a Senior Deed of Trust has the right to retain casualty proceeds and does not exercise such right, Lender hereunder shall not exercise a comparable or similar right granted to it hereunder. Notwithstanding such deference by Lender, Borrower shall furnish Lender with all notices, copies and information pursuant to Sections 5, 6, 7, 9, 11, 13, 16 and 22; and Lender may exercise the remedies provided in Section 24 upon the Maturity Date or upon an Event of Default that is not cured as provided in Section 31. If the ContiTrade Note is unpaid, and the FDIC Restated Notes and the FDIC rights to Residual Proceeds have been fully paid, the provisions of this Section 10 shall not apply.

11. ABSOLUTE ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.

(a) As part of the consideration for the indebtedness evidenced by the ContiTrade Note, subject to the rights of the holders of Senior Deeds of Trust, the FDIC Deeds of Trust and the FDIC Residual Proceeds Deeds of Trust, Borrower hereby absolutely and unconditionally assigns and transfers to Lender all the rents and revenues of the Property, including

those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, including all prepaid rents and security deposits, regardless of to whom the rents and revenues of the Property are payable (herein "Rents"). Borrower hereby authorizes Lender or Lender's agents to collect the Rents and hereby directs each tenant of the Property to pay such rents to Lender or Lender's agents; provided, however, that prior to the occurrence and continuance beyond applicable notice and grace periods of a default by Borrower as provided in Section 31 of this Deed of Trust (an "Event of Default"), Borrower shall collect and receive all Rents as trustee for the benefit of Lender and Borrower, to apply the Rents so collected as provided in the ContiTrade Note and pursuant to Sections 1 and 3 hereof, with the balance, so long as no such Default has occurred, to the account of Borrower, it being intended by Borrower and Lender that, subject to the rights of holders of Senior Deeds of Trust, the FDIC Deeds of Trust and the FDIC Residual Proceeds Deeds of Trust, this assignment of Rents constitutes an absolute assignment and not an assignment for additional security only. Upon an Event of Default under Section 31 of this Deed of Trust, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, subject to the rights of holders of Senior Deeds of Trust, the FDIC Deeds of Trust and FDIC Residual Proceeds Deeds of Trust, Lender shall immediately be entitled to possession of all Rents as specified in this Section 11 as the same become due and payable, including but not limited to Rents then due and unpaid, and all such Rents shall immediately upon such Event of Default be held by Borrower as trustee for the benefit of Lender; provided, however, that Lender notifies Borrower in writing upon such Event of Default that Lender exercises its rights to such Rents. Borrower agrees that commencing upon delivery of such written notice by Lender to Borrower, each tenant of the Property shall make such Rents payable to and pay such Rents to Lender or Lender's agents on Lender's written demand to each tenant therefor, delivered to each tenant personally, by mail or by delivering such demand to each rental unit, without any liability on the part of said tenant to inquire further as to the existence of a default by Borrower.

(b) Borrower hereby covenants that, other than in connection with the Senior Deeds of Trust, the FDIC Deeds of Trust and the FDIC Residual Proceeds Deeds of Trust, Borrower has not executed any prior assignment of said Rents, that Borrower has not performed, and will not perform, any acts or has not executed, and will not execute, any instrument which would prevent Lender from exercising its rights under this Section 11, and that at the time of execution of this Deed of Trust there has been no anticipation or prepayment of any of the Rents of the Property for more than three (3) months prior to the due dates of such Rents. Borrower covenants that Borrower will not hereafter

collect or accept payment of any Rents of the Property more than three (3) months prior to the due dates of such Rents. Borrower further covenants that Borrower will execute and deliver to Lender such further assignments of Rents to further evidence and perfect the rights granted to Lender under this Section 11 as Lender may from time to time request.

(c) Upon delivery to Borrower of written notice of an Event of Default pursuant to Section 31 below, subject to the rights of holders of Senior Deeds of Trust, the FDIC Deeds of Trust and the FDIC Residual Proceeds Deeds of Trust, Lender may in person by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all Rents, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this Deed of Trust. In the event Lender elects to seek the appointment of a receiver for the property upon such uncured Default, Borrower hereby expressly consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

(d) Subject to the rights of beneficiaries of the Senior Deeds of Trust, the FDIC Deeds of Trust and the FDIC Residual Proceeds Deeds of Trust, all Rents collected subsequent to delivery of written notice by Borrower to Lender of Borrower's Event of Default as provided in this Section 11 shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorneys' fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Property, premiums on insurance policies, taxes, assessments and other charges on the Property, and the costs of discharging any obligation or liability of Borrower as Lessor or Landlord of the Property and then to the sums secured by this Deed of Trust to be applied in the manner set forth in Section 3. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those Rents actually received. To the extent permitted by law, Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lender under this Section 11.

(e) If the Rents are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the Rents, any funds reasonably expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by this Deed of Trust. Unless Lender and Borrower agree

in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the Interest Rate as defined in the ContiTrade Note.

(f) Any entering upon and taking and maintaining of control of the Property by Lender or the receiver and any application of Rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or provided herein. This assignment of Rents shall terminate at such time as this Deed of Trust ceases to secure indebtedness held by Lender.

12. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.

(a) This Deed of Trust is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified herein as part of the Collateral and for any other rights of Lender pursuant to this Deed of Trust which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said items and rights. Borrower agrees that Lender may file this Deed of Trust, or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified herein as part of the Property and any other items in which Lender has a security interest. Any reproduction of this Deed of Trust or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender, upon Lender's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Deed of Trust in such form as Lender may require to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in the Collateral. Upon an Event of Default as provided in Section 31 of this Deed of Trust, including the covenants to pay when due and required to be paid all sums secured by this Deed of Trust, Lender shall have the remedies of a secured party under the Uniform Commercial Code in respect of the Collateral and, at Lender's option, may also invoke the remedies provided in Section 33 of this Deed of Trust as to the Collateral. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or of the remedies provided in Section 33 of this Deed of Trust.

(b) Borrower hereby appoints Lender the attorney-in-fact of Borrower for the sole purpose of executing in Borrower's name and filing in the appropriate jurisdictions such UCC-3 Continuation Statements as may be necessary to continue the perfection of Lender's security interests in the Collateral.

(c) This Deed of Trust shall also operate as a fixture filing pursuant to the Uniform Commercial Code for the Collateral defined hereinabove.

13. PROTECTION OF LENDER'S SECURITY.

(a) If Borrower fails to perform the covenants and agreements contained in this Deed of Trust beyond any applicable notice and grace period, or if any action or proceeding is commenced and not discharged within the notice and grace periods provided in Section 31 which materially adversely affects the Property or title thereto or the interest of Lender therein, including, but not limited to, actions upon the Senior Deeds of Trust or FDIC Deeds of Trust, eminent domain, insolvency, code enforcement or arrangements or proceedings involving a bankrupt or decedent, excluding the case pursuant to which the Plan was confirmed, then subject to the rights of the holders of Senior Deeds of Trust, the FDIC Deeds of Trust and the FDIC Residual Proceeds Deeds of Trust, Lender, at Lender's option and upon three (3) days notice to Borrower, may make such appearances, disburse such sums, perform such audits and take such action as Lender deems necessary, in its sole discretion, to protect Lender's interest, including, but not limited to, (i) disbursement of attorneys' fees, (ii) entry upon the Property to make repairs, and (iii) procurement of satisfactory insurance.

(b) Any amounts disbursed by Lender pursuant to this Section 13, with interest thereon, shall become additional indebtedness of Borrower secured by this Deed of Trust. Unless Borrower and Lender agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the Interest Rate, as defined in the ContiTrade Note. Nothing contained in this Section 13 shall require Lender to incur any expense or take any action hereunder.

14. INSPECTION. Upon three (3) days written notice to Borrower, Lender may make or cause to be made reasonable entries upon and inspections of the Property.

15. BOOKS AND RECORDS.

(a) Borrower shall keep and maintain at all times at Borrower's address stated below, or such other place as Lender may reasonably approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the

Property. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender. Borrower shall furnish within fifteen (15) days after Lender's request, a rent schedule for the Property, certified by Borrower, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid. Upon Lender's reasonable request, Borrower shall make available agreements, vouchers, receipts and other documents supporting the condition, use or maintenance of the Property and/or the generation of income therefrom and shall maintain a full and accurate set of books and records showing all the matters above specified, and shall permit Lender at any reasonable time to inspect and audit all of Borrower's books of account, records and papers relating to any of the foregoing matters. In the event any such audit is caused to be made by Lender by reason of the failure of Borrower to comply with any of the foregoing provisions, then Borrower shall pay to Lender upon demand all reasonable expenses incurred by Lender in connection with such audit.

(b) In addition to the foregoing, Borrower shall furnish Lender: (i) copies of all public filings Borrower is required to file with the U.S. Securities and Exchange Commission, as and when filed, and (ii) from time to time, such further information regarding the condition or operation of the Property as Borrower may, in its reasonable opinion, believe to be of significance, whether or not requested by Lender.

(c) On or before December 1 of 1993 and of each calendar year thereafter, Borrower shall provide Lender with a budget for operation of the Property, and Lender may submit its comments thereon to Borrower; but Lender shall have no authority to approve or disapprove the same and Borrower shall not be bound by Lender's comments.

(d) In addition to the reports required pursuant to other Sections of this Deed of Trust, Borrower shall furnish such information regarding the operations, financing and sale, or any prospects with respect to financing and sale, of the Property as may be reasonably requested by Lender from time to time. Borrower shall also furnish Lender with such information as Borrower may in its reasonable opinion believe to be of significance regarding the condition or operation of the Property, whether or not such information is requested by Lender.

16. CONDEMNATION. Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, and Borrower shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Subject to the provisions of Section 10, the proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other

taking, whether direct or indirect, of the Property, or part thereof, or for conveyances in lieu of condemnation, are hereby assigned to and shall be paid to Lender, all subject to rights of the holders of Senior Deeds of Trust, the FDIC Deeds of Trust, and the FDIC Residual Proceeds Deeds of trust, if any.

Subject to the provisions of Section 10, Borrower or Lender, as the case may be, shall apply such awards, payments, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts in the manner provided in Section 3.

17. BORROWER AND LIEN NOT RELEASED. From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Borrower, Borrower's successors or assigns or of any junior lienholder or guarantors, without liability on Lender's part and notwithstanding Borrower's breach of any covenant or agreement of Borrower in this Deed of Trust, extend the time for payment of said indebtedness or any part thereof, or performance of any obligation or partial performance thereof, reduce the payments thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of any indebtedness or any obligation to perform, release from the lien of this Deed of Trust any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Borrower to modify the rate of interest or period of amortization of the ContiTrade Note or change the amount of the monthly installments payable thereunder. Any actions taken by Lender pursuant to the terms of this Section 17 shall not affect the obligation of Borrower or Borrower's successors or assigns to pay the sums secured by this Deed of Trust and to observe the covenants of Borrower contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured thereby, and shall not affect the lien or priority of lien hereof on the Property. Borrower shall pay Lender a reasonable and customary service charge, together with such title insurance premiums and attorneys' fees as may be incurred at Lender's option, for any such action if taken at Borrower's request.

18. FORBEARANCE BY LENDER NOT A WAIVER. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Lender of payment of any sum secured by this Deed of Trust after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The procurement of insurance or the payment

of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Deed of Trust, nor shall Lender's receipt of any awards, proceeds or damages under Sections 6 and 16 hereof operate to cure or waive Borrower's default in payment of sums secured by this Deed of Trust.

19. ACCELERATION IN CASE OF BORROWER'S INSOLVENCY. If Borrower shall voluntarily file a petition under the Federal Bankruptcy Code, as such Code may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Borrower shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrower, or if Borrower shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Borrower or Borrower's property, or if the Property shall become subject to the jurisdiction of a Federal Bankruptcy court or similar state court, or if Borrower shall make an assignment for the benefit of Borrower's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Borrower's assets and such seizure is not discharged within sixty (60) days, then Lender may, at Lender's option, declare all of the sums secured by this Deed of Trust to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by Section 33 of this Deed of Trust. Any attorneys' fees and other expenses incurred by Lender in connection with Borrower's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrower secured by this Deed of Trust.

20. RESTRICTION ON OTHER LIENS.

(a) Without Lender's prior written consent, Borrower shall not grant any other mortgages on or security interests in the Collateral except for new deeds of trust, liens and/or security interests in conjunction with Permitted Refinancings of one or more Senior Deeds of Trust and/or FDIC Deeds of Trust, provided that, notwithstanding the foregoing provision to the contrary, Borrower may, in the ordinary course of business, grant liens and security interests to comply with contractual obligations or governmental obligations relating to the Collateral (but not to secure debt incurred or to be incurred for general operating purposes).

(b) Notwithstanding the provisions of paragraph (a) to the contrary:

(i) Borrower may grant liens and encumbrances in the ordinary course of business to secure indebtedness incurred to acquire fixtures, furnishings

and equipment for the Property, to protect or preserve the Property, or to comply with contractual obligations or governmental obligations relating to the Property (excluding liens and encumbrances granted to secure debt incurred or to be incurred for general operating purposes); and

(ii) the restrictions in paragraph (a) shall not apply to any leases or modifications, renewals, extensions or termination of leases for space at or in the Property.

21. RELEASE OF THE PROPERTY. Lender shall release each parcel of the Property included in the Collateral from this Deed of Trust upon and simultaneously with any Permitted Sale of such parcel and against payment of the Remaining Sales Proceeds pursuant to Section 3.3 of the ContiTrade Note. Upon and at the closing of any such Permitted Sale, Lender shall execute and deliver such instruments of release, duly attested, witnessed and/or acknowledged (where appropriate), in proper form for recording or filing, as Borrower shall request, including without limitation a release of such parcel of the Property from this Deed of Trust and UCC-3 termination statements.

22. ABANDONMENT.

(a) Borrower may abandon the Property or any other Retained Complexes at any time by delivering to Lender at any time written notice stating Borrower's intent to abandon that Retained Complex (the "Abandonment Notice"). Borrower's abandonment of the Retained Complex shall be effective as of the date of Lender's receipt of the Abandonment Notice.

(b) The abandonment of the Retained Complex pursuant to an Abandonment Notice shall be deemed an Event of Default under the terms of this Deed of Trust regarding solely that Retained Complex and not the other Retained Complexes and solely for the purposes of the exercise of remedies described herein. Without limiting the generality of the foregoing, upon the abandonment of the Retained Complex, Lender may, but shall not be obligated to, obtain the appointment of a receiver for the Retained Complex, obtain a judgment of foreclosure and/or a nonjudicial foreclosure of the Retained Complex under the terms of this Deed of Trust, and otherwise take such legal actions as Lender may, in its sole subjective judgment, deem appropriate in respect of its interest in the Retained Complex; provided, in all cases that this Section 22 shall neither give rise to a cause of action against Borrower for damages, specific performance, or other affirmative liability, nor be construed as requiring Lender to commence or to complete any proceeding of any nature whatsoever, whether for appointment of a receiver, for a judgment of foreclosure or otherwise, following delivery of an Abandonment Notice.

(c) Notwithstanding any delivery of any Abandonment Notice to Lender, Lender shall have no obligation to accept title to the Retained Complex.

(d) The Abandonment Notice may be rescinded by the Borrower pursuant to the terms of the FDIC Residual Proceeds Deed of Trust.

(e) Notwithstanding anything in this Section 22 to the contrary, the delivery of an Abandonment Notice regarding a Retained Complex shall not constitute a default or Event of Default under the ContiTrade Note or this Deed of Trust (except only for the limited purposes set forth above limited to such Retained Complex). Without limitation to the generality of the foregoing sentence, despite the delivery of an Abandonment Notice, Lender shall not be entitled to accelerate payment of the ContiTrade Note or enforce or exercise any rights or remedies regarding the other Retained Complexes.

23. OBLIGATION TO BE PERFORMED UPON MATURITY DATE OR EVENT OF DEFAULT.

(a) Notwithstanding any obligations of Borrower hereunder which are required to be performed at some earlier date or upon some earlier event, the ContiTrade Note and the ContiTrade Pool Distributions that this Deed of Trust secures, and all obligations hereunder, fully mature on the Maturity Date. If, however, Borrower has complied with the provisions of section 24(a)(1) within the time and in the manner provided for therein, then in that event the obligations to be performed hereunder shall be extended and shall fully mature on that date which is ninety (90) days after the Maturity Date (the "Extended Maturity Date").

(b) The parties acknowledge and agree that the only means by which all of the indebtedness herein secured can be determined in advance of proceeding in the manner set forth in Sections 24 (b), (c), and (d) is by virtue of a Permitted Sale having closed and the proceeds having been applied in the manner set forth in Section 3 (a), (b), (c) and (d) prior to the Maturity Date or, if applicable, the Extended Maturity Date. In the event that no such Permitted Sale shall have closed and the proceeds thereof shall not have been distributed in the manner set forth in Section 3 (a), (b), (c) and (d) prior to the Maturity Date, or if applicable, the Extended Maturity Date, then the occurrence of the Maturity Date, or in the event the Borrower has complied with section 24(a)(1) the Extended Maturity Date, shall in and of itself constitute an Event of Default.

(c) Upon the Maturity Date, or in the event that the Extended Maturity Date shall be deemed applicable, the Extended Maturity Date, Borrower shall be obligated under this Deed of Trust to pay to Lender the amounts, including the

ContiTrade Pool Distributions, as determined to be owed pursuant to Section 24 (b), (c) and (d) and, for such purpose, shall cooperate in the determination of the amount owed to Lender pursuant to Section 24 (b), (c), and (d) hereinbelow. Within five (5) business days of such determination, Borrower shall pay over such amounts to Lender and shall perform the obligations set forth in Section 3 (a), (b), (c) and (d) in respect of such payments.

24. DETERMINATION OF LENDER'S SHARE OF RESIDUAL PROCEEDS PRIOR TO AND/OR UPON MATURITY AND/OR UPON AN EVENT OF DEFAULT.

(a) (i) Borrower shall, not later than July 15, 1999 (i.e., the date which falls six (6) months prior to the occurrence of the Maturity Date), retain the services of one or more sales agent(s) of a nationally recognized real estate brokerage company(ies) to market and sell the Property, and shall obtain Lender's concurrence regarding such retention, which concurrence shall not be unreasonably withheld. The failure to perform in accordance with the provisions of this Subsection (a)(i) shall constitute an Event of Default. Upon an Event of Default under this Subsection, the determination of the amount to be paid to Lender shall be made in accordance with the provisions of Subsections (b), (c), and (d) of this section 24.

(ii) In the event that a Permitted Sale of the Property has not closed escrow and the proceeds of such sale have not been applied in the manner set forth in Section 3 (a), (b), (c) and (d), prior to the Maturity Date if Borrower shall have complied with the obligation to retain a Sales Agent as set forth in Subsection (a)(1) of this Section, then such failure to make payment of the ContiTrade Pool Distributions shall not constitute an Event of Default until such time as there has been a failure to have a Permitted Sale of the Property close escrow and the proceeds of such sale be applied in the manner set forth in Section 3 (a), (b), (c) and (d), prior to the Extended Maturity Date. The failure to pay Lender the ContiTrade Pool Distributions upon the Maturity Date, or if applicable, upon the Extended Maturity Date, shall constitute an Event of Default and Lender shall be entitled to immediately proceed as provided for in subsections (b), (c), and (d) of this Section 24.

(b) Upon an Event of Default, Lender may commence an action in the appropriate state court for any action the remedy of which shall be the appointment of a receiver or the substantial equivalent depending upon the laws of a receiver or the substantial equivalent depending upon the laws of the jurisdiction in which the Property is located. Borrower waives any and all defenses and/or oppositions to such action and/or any proceeding and/or application brought by Lender in connection therewith, and further agrees to execute any and all court documents or pleadings or instruments necessary to expedite the

court's and/or other appropriate authority's order and/or judgment enforcing and/or granting the same. In those jurisdictions in which the remedy of a court appointed receiver is unavailable, Lender shall apply to the court for instructions as to the manner in which to obtain a remedy which is substantially similar to the remedy of a state court appointed receiver for the purposes contemplated by this Section.

(c) The parties shall request that the court, by court Order, instruct the receiver or other appropriate officer, agent or representative, to (i) market, (ii) negotiate for the sale of, and (iii) sell the Property as expeditiously as possible and shall further request that the court Order provide that in no event shall the receiver be allowed to, requested to, or required to: (x) market, (y) negotiate for the sale of, or (z) sell the Property at any time after 180 days from the date of the receiver's appointment, subject only to any court Order to the contrary. The parties agree to further request that the court Order expressly prohibit the receiver, and anyone acting on the receiver's behalf whether directly or indirectly, from purchasing the Property. Borrower further agrees that any proposed Order submitted to the court shall direct the receiver to apply any proceeds of any sale of the Property in the manner prescribed in Section 3 (a), (b), (c) and (d), and shall grant the receiver the authority to execute such instruments and documents as are necessary to effectuate the conveyance of title to the Property and the distribution of proceeds pursuant to Section 3 (a), (b), (c) and (d).

(d) In the event the receiver has not closed escrow on a sale of the Property, and fully applied the payments in accordance with Section 3 (a), (b), (c) and (d), hereinabove, by the close of business one hundred and eighty days following the appointment of the receiver, then in that event the parties agree that Lender shall have the right, inter alia, but not the obligation to (i) purchase the Property directly from the receiver for any amount in excess of the lien of the Senior Deeds of Trust and any FDIC Deeds of Trust thereon and/or (ii) apply to the court for the discharge of the receiver and, in connection with this subsection (d), Borrower agrees to execute any Stipulation and request for Order thereon which would effectuate such discharge and/or (iii) proceed under the power of sale set forth in section 33.

25. PERMITTED SALE AND PERMITTED REFINANCING:

(a) The following sales, transfers and encumbrances shall not require the prior written consent of Lender and shall not constitute a default or an Event of Default:

(i) any sale or transfer which shall fall within the definition of Permitted Sale; or

(ii) any encumbrance, lien or pledge which shall fall within the definition of Permitted Refinancing.

(b) A Permitted Refinancing shall not constitute a default hereunder, and this Deed of Trust shall remain subject and subordinate to any deed of trust resulting from or given in connection with a Permitted Refinancing. At the closing of the Permitted Refinancing, Lender shall execute and deliver to the lender funding such Permitted Refinancing an agreement (a "Subordination Agreement") subordinating the priority, rights and remedies of or under this Deed of Trust to the priority, rights and remedies of or under such lender's deed of trust or lien against the Collateral, which Subordination Agreement shall be in proper form for recording and in form and substance required by such lender in accordance with such lender's customary requirements.

26. RESTRICTIONS ON TRANSFERS/FURTHER ENCUMBRANCES ACCELERATION/DUE ON SALE. Notwithstanding anything in this Deed of Trust to the contrary, but subject to the provisions of Sections 3, 20, and 25 of this Deed of Trust:

(a) Borrower shall not grant any interest, lien or encumbrance in or against the Property or any other Collateral encumbered by this Deed of Trust that shall or may act to reduce the payments or proceeds payable to Lender under the ContiTrade Note; and

(b) In the event of the occurrence of any sale, encumbrance, refinancing of any existing encumbrance or other transfer of any interest in the Property or any part of the Property or of any beneficial interest in Borrower (or any successor in interest to Borrower as the owner of the Property) after the Effective Date without Lender's prior written consent, Lender may give Borrower written notice that Lender requires the sale, encumbrance, refinancing, or other transfer to be rescinded and voided (the "Sale Acceleration Notice"). If the sale, encumbrance, refinancing, or other transfer (whether or not consummated) is not completely and irrevocably rescinded and voided within thirty (30) days after the giving of the Sale Acceleration Notice to Borrower by the execution and delivery of rescission agreements or other documents in form and content satisfactory to Lender, Borrower shall be in default under this Deed of Trust, and Lender shall be entitled to exercise all rights and remedies available to Lender upon the occurrence of an Event of Default, including without limitation the right to declare all sums secured by this Deed of Trust immediately due and payable, to the extent then known. A Sale Acceleration Notice shall be and constitute a Default Notice under this Deed of Trust.

27. RELEASE OF THE PROPERTY. Upon receipt of (a) an accounting of the Partnership Advance Account certified by an authorized representative of the Borrower to be true and correct together with (b) a written representation prepared by Borrower of the manner in which any proceeds of such Permitted Sale shall be applied, Lender shall release a designated Retained Complex from this Deed of Trust upon and simultaneously with any Permitted Sale of the Retained Complex, in which event Lender shall request Trustee to reconvey, without warranty, the Property to Borrower or the person or persons otherwise legally entitled thereto. Upon and at the closing of any such Permitted Sale, Lender shall execute and deliver such instruments of release, duly attested, witnessed and/or acknowledged (where appropriate), in proper form for recording or filing, as Borrower shall reasonably request, including without limitation a release of the Retained Complex from this Deed of Trust and UCC-3 Termination Statements.

28. SUBJECT AND SUBORDINATE. This Deed of Trust and its lien on and security interest in the Collateral is and shall at all times be subject and subordinate to the Senior Deeds of Trust, the FDIC Deeds of Trust and the FDIC Residual Proceeds Deeds of Trust now or at any time encumbering the Property, notwithstanding the order or manner of perfection of the Senior Deeds of Trust, any FDIC Deeds of Trust or any FDIC Residual Proceeds Deeds of Trust or any failure of the holder of such deeds of trust to record or perfect the same. Without limitation to the generality of the foregoing, Lender agrees, for the benefit of every present and future holder (a "Holder") of each Senior Deed of Trust, FDIC Deed of Trust and/or FDIC Residual Proceeds Deed of Trust encumbering the Property as follows:

28.1 Borrower and each Holder may amend, modify and/or extend such Holder's deed of trust (except that the aggregate principal balance of and aggregate payments under all deeds of trust superior to this Deed of Trust shall not thereby be increased and the order of payment provided in the Plan and Section 3 of the Deed of Trust shall not be changed); subject to such limitations, this Deed of Trust shall be similarly subject and subordinate to any such amendment, modification or extension.

28.2 All rights and privileges (including without limitation any assignment of leases and rents and any rights regarding insurance proceeds and condemnation awards) herein granted to Lender are and shall remain subordinate to each Holder's deed of trust and to the rights and privileges of such Holder thereunder.

28.3 Lender shall, in each instance, grant such rights of non-disturbance, attornment and subordination as shall be granted by each Holder under such Holder's deed of trust to any tenant of the Property.

28.4 If Lender shall commence any foreclosure or similar action against the Collateral, all rents, issues and profits received or receivable by Lender shall be paid to each Holder (in order of priority of lien) and applied as provided in such Holder's deed of trust and the promissory note secured thereby and pursuant to the order of payment provided in the Plan.

28.5 All such rents, profits and income so collected shall first be applied to the payment of maintenance, operating charges, taxes, assessments and disbursements ordinarily incurred in connection with the ownership, operation and maintenance of the Property and thereafter paid to each Holder (in such order of priority) in satisfaction of any sums due and owing under such Holder's deed of trust to the extent permitted by law.

28.6 If any payment is made to Lender under this Deed of Trust at a time that a default exists under any such Holders' deeds of trust, subject to the provisions of the Plan, any such payment is to be held in trust by Lender for the benefit of such Holders (in such order of priority).

28.7 Each Holder shall not be deemed paid nor shall such Holder's deed of trust be deemed in good standing unless and until any payment received by such Holder is no longer subject to rescission, restoration or return.

Although the foregoing subordination is automatic and self-operative without further written confirmation from Lender, Lender shall, within ten (10) days after Lender's receipt of request therefor from the Holder of a Senior Deed of Trust or FDIC Deed of Trust, confirm such subordination of this Deed of Trust in a written instrument in proper form for recording in form and substance reasonably satisfactory to such Holder and Lender and consistent with the foregoing provisions.

29. DEFAULT UNDER OTHER LIENS.

(a) A default that continues beyond the applicable notice and grace periods under any mortgage or deed of trust encumbering any of the Retained Complexes (other than this Deed of Trust but including without limitation the Senior Deeds of Trust, the FDIC Deeds of Trust and the FDIC Residual Proceeds Deeds of Trust), other than a default that is cured by an abandonment of the Retained Complex to the FDIC or foreclosure by the FDIC or by Lender with Borrower's consent, shall constitute a default under this Deed of Trust. Borrower shall furnish to Lender promptly after Borrower's receipt a copy of every notice of default or notice of acceleration given by any holder of a Senior Deed of Trust, a FDIC Deed of Trust, or a FDIC Residual Proceeds Deed of Trust.

(b) Notwithstanding the foregoing, Borrower's failure of performance under any Senior Deed of Trust, FDIC Deed of Trust, or FDIC Residual Proceeds Deed of Trust shall not constitute a breach, default, or Event of Default hereunder if: (i) the party to whom such performance is due shall have fully, forever and unconditionally waived, released and excused such failure of performance; (ii) such waiver, release and excuse shall have been contained in a writing reasonably satisfactory to Lender as to form and content; and (iii) the said writing shall have been delivered to Lender.

30. DEFAULT UNDER THE PLAN. A breach of the terms, provisions, or covenants of the Plan that is not cured within thirty (30) days of receipt by Borrower of written notice of such default from Lender, shall constitute a default under this Deed of Trust. Borrower shall furnish to Lender promptly after Borrower's receipt a copy of every notice or claim of default, breach or violation of the Plan provisions given by any third party.

31. DEFAULT. If any failure of Borrower to pay or perform any of its obligations arising under the ContiTrade Note is not cured within the (10) days after Borrower receives from Lender written notice of such failure (the "Default Notice"), or if a default occurs under this Deed of Trust (including but not limited to a default under Sections 29 and 30 above), other than a default that is cured by an abandonment of the Retained Complex to the FDIC or foreclosure by the FDIC or by Lender with Borrower's consent, shall constitute a default under this Deed of Trust, and if such default continues uncured beyond the notice and grace period provided herein (but not less than ten (10) days after the giving of notice thereof), Lender may elect, without further notice or demand to Borrower, to declare all principal (or the outstanding balance thereof) and interest under the ContiTrade Note immediately due and payable. In such event, Lender shall be entitled to exercise all rights and remedies available to Lender under the ContiTrade Note, this Deed of Trust and/or any other instrument or agreement securing the ContiTrade Note or the ContiTrade Pool Distributions, including but not limited to the power of sale granted hereunder, or subject to the provisions of Section 48 of the FDIC Residual Proceeds Deed of Trust, otherwise available to Lender at law or in equity, subject in both cases to having first exhausted the remedies provided for an Event of Default pursuant to Section 24 above; ; provided, however, that Borrower shall have thirty (30) days rather than ten (10) days following receipt of a Default Notice or any such notice in which to cure any such failure or default other than a failure to make one or more payments due and required to be made under the ContiTrade Note; and provided further that if by its nature any non-monetary failure or default cannot reasonably be cured within such thirty-day period but reasonably can be cured within a longer period which is reasonable in light of the nature of the failure or default, Borrower shall have such longer

reasonable period in which to cure the failure or default if promptly after receiving the Default Notice or such notice Borrower immediately commences taking all actions within Borrower's power to cure the failure or default and thereafter diligently continues taking such actions so that the failure or default is completely cured as soon as reasonably possible and in any event within a reasonable period after Borrower's receipt of the Default Notice or such notice. A notice of default given under the ContiTrade Note shall be and constitute a Default Notice under and as defined in this Deed of Trust. Neither the failure of Lender to give a Default Notice to Borrower following the occurrence of any failure or default nor the failure of Lender to exercise any right or remedy available to Lender following the delivery of a Default Notice shall constitute a waiver of Lender's right to deliver a Default Notice or such notice or to exercise any right or remedy on any future occasion. Although Lender shall endeavor to give a copy of every Default Notice or such notice to the holder of the FDIC Deed of Trust encumbering the Property (if any), the giving of such copy of a Default Notice or such notice to such holder shall not be a condition precedent to Lender's exercise or enforcement of any of its rights and remedies.

32. REMEDIES CUMULATIVE. Each remedy provided in this Deed of Trust is distinct and cumulative to all other rights or remedies under this Deed of Trust or afforded by law or equity and may be exercised concurrently, independently, or successively, in any order whatsoever.

33. REMEDIES.

(a) Borrower acknowledges that, so long as Lender has exhausted the relief and remedies granted pursuant to section 24 herein, the power of the sale herein granted may be exercised by Lender without prior judicial hearing. Borrower has the right to bring an action to assert the non-existence of a breach or any other defense of Borrower to acceleration and sale. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorneys' fees and costs of documentary evidence, abstracts and title reports.

(b) If Lender invokes the power of sale, Lender shall execute or cause Trustee to execute a written notice of the occurrence and continuance of a default beyond the applicable notice and grace periods and of Lender's election to cause the Collateral to be sold and shall cause such notice to be recorded in each county in which the Property or some part thereof is located. Lender or Trustee shall give notice of default and notice of sale and shall sell the Collateral according to applicable law. Lender or Trustee may sell the Collateral at the time and place and under the terms designated in the notice of sale in one or more parcels and in such order as the Lender or

Trustee may determine. Trustee may postpone the sale of all or any parcel of the Collateral by public announcement at the time and place of any previously scheduled sale. Lender or Lender's designee may purchase the Collateral, in whole or in part, at any sale.

(c) Upon such sale, Lender or Trustee shall deliver to the purchaser a deed conveying the Property so sold, and a bill of sale conveying other Collateral so sold, in each case without any covenant or warranty, expressed or implied. The recitals in the deed or bill of sale shall be prima facie evidence of the truth of the statements made therein. Subject to the provisions of Section 28, Lender or Trustee shall apply the proceeds of the sale in the following order: first, to all costs and expenses of the sale, including, but not limited to, Trustee's and attorneys' fees and costs of title evidence, and second, in the manner provided for in Section 3(e) without allowance for satisfaction of obligations secured by a Senior Deed of Trust or obligations arising under the FDIC Restated Notes, if any.

34. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; AGENTS; CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. In exercising any rights hereunder or taking any actions provided for herein, Lender may act through its employees, agents or independent contractors as authorized by Lender. The captions and headings of the Sections of this Deed of Trust are for convenience only and are not to be used to interpret or define the provisions hereof.

35. CONSTRUCTION OF DEED OF TRUST. In respect of each parcel of the Property, this Deed of Trust shall be construed and interpreted in accordance with, and be governed by, the laws of the State named at the top of the first page of this Deed of Trust. In respect of the Security Agreement and security interest in the Collateral granted to the Lender, this Deed of Trust shall be construed and interpreted in accordance with and be governed by, the laws of the State of California applicable to contracts made and to be wholly performed within such State; provided, however, that with respect to perfection of the security interests granted to Lender for Collateral not located in the State of California the laws of the State where such Collateral is located shall apply. If any portion of this Deed of Trust shall be declared by any court of competent jurisdiction to be invalid, illegal or unenforceable, such portion shall be deemed severed from this Deed of Trust and the remaining parts hereof shall remain in full force and effect, as fully as though such invalid, illegal or unenforceable portion had ever been part of this Deed of Trust.

36. WAIVER OF STATUTE OF LIMITATIONS. Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Deed of Trust or to any action brought to enforce the ContiTrade Note or any other obligation secured by this Deed of Trust.

37. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Collateral shall be subjected to the remedies provided herein. Subject to the provisions of Section 28, Lender shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Borrower, any party who consents to this Deed of Trust and any party who now or hereafter acquires a security interest in the Collateral and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

38. RECONVEYANCE. Upon payment of all sums secured by this Deed of Trust, Lender and/or Trustee shall reconvey the Collateral without warranty, shall issue an executed Satisfaction of Mortgage and/or shall surrender for cancellation this Deed of Trust and the ContiTrade Note evidencing indebtedness secured by this Deed of Trust to Borrower or the person or persons legally entitled thereto. The Borrower shall pay Lender's reasonable costs incurred in so reconveying the Collateral.

39. NOTICES. Except for any notice required under applicable law to be given in another manner, all notices, demands, elections, requests and responses hereunder shall be in writing and shall be sent either by U.S. certified mail, postage prepaid, return receipt requested, or by Federal Express or other reputable overnight courier (except that an Abandonment Notice shall be given by overnight courier), if to Borrower, at its address above stated, marked "Attention: Legal Department", and, if to Lender, at its address above stated, and marked "Attention: Jerome Perelson", or at such other address of which a party shall have notified the party giving such notice so mailed or delivered in writing. All notices so mailed shall be deemed properly given and effective on the date received. A copy of each notice to Borrower shall be sent in the same manner to:

Bachner, Tally, Polevoy & Misher
380 Madison Avenue
New York, New York 10017-2590
Attention: Martin D. Polevoy, Esq. or
Sam W. Galowitz, Esq.

A copy of each notice to Lender shall be sent in the same manner to:

Varet & Fink P.C.
53 Wall Street
New York, New York 10005
Attention: Ray A. Mantle, Esq.

Borrower hereby requests that a copy of any notice of default or acceleration and any notice of sale be so mailed to Borrower.

40. ESTOPPEL CERTIFICATES. Borrower and Lender, within ten (10) days after receipt of written request from the other, will furnish a written statement, duly acknowledged, stating (a) the amount due, whether for principal or interest, on the ContiTrade Note, (b) the amount of ContiTrade's share of Residual Proceeds due, if then known, (c) whether or not this Deed of Trust has been modified in any respect, and if so, specifying any such modification, and (d) whether (limited to actual knowledge) any rights of set off, counterclaims or defenses exist against the indebtedness secured by this Deed of Trust, and if so, specifying any such right of set off, counterclaims or defenses.

41. DEFINITIONS. (a) As used herein, the following terms shall have the following meanings:

-- Abandonment Notice with regard to the Property or any Retained Complex, respectively, shall mean a written notice from Borrower to the holder of the FDIC Deed of Trust with a copy to Lender stating Borrower's intent to abandon the Property or the Retained Complex, respectively. An Abandonment Notice is effective on receipt by Lender.

-- Affiliate shall have the meaning set forth in Section 101(2) of the United States Bankruptcy Code.

-- Bona Fide Refinancing shall mean a payment after the Effective Date on account of (a) any Senior Deeds of Trust that encumber the Property and/or the promissory notes secured thereby, (b) an FDIC Restated Note, FDIC Deed of Trust that encumbers the Property, and/or (c) both types of deeds of trust and/or the notes secured thereby, financed by the proceeds of a new and/or consolidated loan to be secured by a new and/or consolidated deed of trust, lien and/or security interest that shall encumber the Property.

-- Bona Fide Sale shall mean a sale of the Property after the Effective Date for fair value to a bona fide third party purchaser that is not an "Affiliate" of, and is not controlled or owned by, controlling or owning, or under common control or ownership with: (a) Borrower, (b) Borrower's asset manager, (c) any entity that is directly or indirectly controlled by Joel Stone or Scott Lager, or (d) any entity in which Joel Stone or

Scott Lager holds a direct or indirect equity interest of 10% or more.

-- Capital Expenditures shall mean expenditures made for capital improvements that shall qualify as such under Generally Accepted Accounting Principles as promulgated by the Financial Accounting Standards Board.

-- Court or Bankruptcy Court shall mean the United States Bankruptcy Court for the Central District of California.

-- Effective Date shall mean September 30, 1993.

-- FDIC shall mean the Federal Deposit Insurance Corporation.

-- FDIC Deed of Trust shall mean any currently existing deed of trust or mortgage encumbering a Retained Complex, as the same may be modified, that is now or has been for the benefit of (or is now or has been held by) BH Mortgage Corporation or Federal Deposit Insurance Corporation, and any deed of trust, or mortgage resulting from or given in connection with a Permitted Refinancing of an FDIC Deed of Trust, but excluding the FDIC Residual Proceeds Deed of Trust.

-- FDIC Residual Proceeds Deeds of Trust shall mean the deeds of trust or mortgages encumbering the Retained Complexes given concurrently herewith by Borrower to FDIC securing, inter alia, payment of a pari passu (i.e., 50%) share of Residual Proceeds.

-- FDIC Restated Notes shall mean the 17 Restated Notes given concurrently herewith by Borrower to the FDIC pursuant to the Plan.

-- Gross Receipts shall mean all gross income, revenues and consideration, of whatever form or nature, received by or paid to or for the account or benefit of Borrower from any and all sources, resulting from, or attributable to, the ownership, operation, leasing and/or occupancy of the Property, determined in accordance with standard cash receipts and disbursements accounting, including without limitation: (i) gross rental income from or in respect of the Property; (ii) rents and receipts from licenses, concessions, vending machines and similar items; (iii) parking fees and rentals; (iv) other fees, charges or payments not denominated as rental of residential, office, retail, storage, parking or other space, fixtures or equipment in the Property; (v) payments received as consideration in whole or in part for the cancellation, modification, extension or renewal of leases; and (vi) proceeds received from any rental or business interruption insurance. There shall be excluded from Gross Receipts (1) any security or other deposits of tenants unless and until they are actually applied to rental, (2) the proceeds of

any sale, financing or refinancing with respect to all or any part of the Property, (3) any proceeds from the litigation known as In re VMS Limited Partnership Securities Litigation, U.S. District Court for the Northern District of Illinois, No. 90 C 2412, (4) any proceeds from promissory notes given by the limited partners in, and held by, Borrower, National Residential Portfolio I or National Residential Portfolio II commonly referred to as the "investor notes", (5) casualty insurance proceeds or (6) condemnation awards.

-- Maturity Date shall mean January 15, 2000.

-- NAN Retained Complexes shall mean all Retained Complexes other (a) than those for which Abandonment Notices have been given, (b) the Property and (c) the Retained Complexes known as Bellevue Tower, Tennessee, and North Park Terrace [a/k/a Carlisle Square], New Mexico.

-- NAN Retained Complex Notes shall mean all Retained Complex Notes other than those related to (a) Retained Complexes for which Abandonment Notices have been given, (b) the Property, and (c) the Retained Complexes known as Bellevue Tower, Tennessee, and North Park Terrace [a/k/a Carlisle Square], New Mexico.

-- Partnership Advance Account shall mean the account that Borrower will retain on its books in the original principal amount of Thirteen Million Five Hundred Thousand (\$13,500,000.00) with interest accruing on the balance thereof at the rate of ten percent (10%) per annum compounded monthly, subject to adjustment to reflect additional dedication of Partnership Cash to capital improvements at the Retained Complexes.

-- Partnership Cash shall mean all cash and cash equivalents of Borrower other than Gross Receipts, gross receipts and the proceeds of sales or refinancings generated by the Retained Complexes.

-- Permitted Refinancing shall mean a Bona Fide Refinancing of the Property in which the following conditions have been satisfied:

(i) Borrower shall have given Lender written notice of such refinancing not later than thirty (30) days before the closure thereof, which notice shall include such information regarding the identity of the new lender and the terms of such refinancing as Lender may reasonably require to evaluate the proposed refinancing under the terms and conditions of the ContiTrade Note and this Deed of Trust;

(ii) If the refinancing is of one or more obligations secured by one or more Senior Deeds of

Trust, respectively ("Senior Obligations" as defined hereinbelow), then such refinancing shall not increase the aggregate principal balance or aggregate debt service payments of such Senior Obligations;

(iii) No such refinancing, whether of a Senior Obligation or otherwise, shall adversely affect or impair Lender's right to payment of the sums due to it under the ContiTrade Note or this Deed of Trust;

(iv) At the closing of such refinancing, Borrower shall have applied or caused to be applied (or shall have escrowed for such application with a title insurance company satisfactory to Lender) all proceeds of such refinancing in the following order (and Lender may attend such closing to confirm such application or escrow for same and may condition the delivery of any related documents upon reasonable confirmation of such application or escrow);

(1) first, in the case of refinancings of Senior Deeds of Trust (if any), to the reduction of the Senior Deeds of Trust;

(2) second, as to any proceeds remaining after full satisfaction under (1) above, to pay solely the amounts required to be paid under Section 4.6 of the FDIC Restated Note relating to the Property, to be applied first to accrued and unpaid interest at the "Pay Rate", if any, second, to "Deferred Interest" and third to "Agreed Valuation Amount" under the FDIC Restated Note, in each instance as defined and provided therein;

(3) third, as to any proceeds remaining after full satisfaction under (2) above, to pay the costs and expenses of obtaining such refinancing to the extent payment by borrowers under mortgage loans is commercially reasonable, including without limitation the following to the extent payment by borrowers is commercially reasonable: commitment fees or "points"; brokerage fees or commissions; reasonable attorneys' fees; filing and recordation taxes, charges and fees; mortgage taxes (if any); title insurance premiums, abstract fees and survey charges; appraisal fees; environmental review fees and charges; and fees for an escrow closing if applicable;

(4) fourth, as to any proceeds remaining after full satisfaction under (3) above, to fund or pay for Capital Expenditures for the Property or any of the NAN Retained Complexes;

(5) fifth, as to any proceeds remaining after full satisfaction under (4) above, to pay the unpaid balances of any amounts required to be paid under Section 4.6 of all NAN Retained Complex Notes, provided that all such remaining proceeds received by Lender:

(a) on or before the second anniversary of the Effective Date shall be divided and applied amongst the outstanding balances of the various "Agreed Valuation Amounts" and "Deferred Interests" under the NAN Retained Complex Notes (as defined therein) as and in the amounts Borrower shall designate, as long as such remaining proceeds are applied first to all such "Deferred Interests" until they are paid in full and second to all such "Agreed Valuation Amounts" until they are paid in full; and

(b) after the second anniversary of the Effective Date shall be divided and applied first amongst the outstanding balances of the various "Deferred Interests" under the NAN Retained Complex Notes and second amongst the outstanding balances of the various "Agreed Valuation Amounts" under the NAN Retained Complex Notes, in both cases pro rata based upon the respective "Agreed Valuation Amounts" under such NAN Retained Complex Notes; and

(6) sixth, as to any proceeds remaining after full satisfaction under (5) above, to pay the balance as provided in Sections 3(a)(vi) and (vii) of this Deed of Trust.

(v) At the closing of any Permitted Refinancing of a Senior Deed of Trust and/or FDIC Deed of Trust, Lender shall execute, deliver and acknowledge such form of subordination agreement (i.e., an agreement that evidences and confirms the superior priority of payment and lien of the Senior Deed of Trust and/or FDIC Deed of Trust over this Deed of Trust) that the new lender shall require in accordance with such lender's customary requirements. Lender shall not be obligated to subordinate this Deed of Trust to any new Senior Deed of Trust and/or FDIC Deed of Trust that may violate the provisions of this Section or on terms that adversely affect or impair Lender's right to payment of any sums due hereunder or that materially adversely affect or impair the performance of any obligation due hereunder. Any dispute as to the terms and conditions of any such subordination agreement shall be submitted to the

Bankruptcy Court to the extent the Bankruptcy Court elects to hear such dispute, but if the Bankruptcy Court shall not assume and retain jurisdiction regarding such dispute, the resolution may be made by a court of competent jurisdiction.

-- Permitted Sale shall mean a Bona Fide Sale of the Property in which the following conditions have been satisfied:

(i) Borrower shall have given Lender (a) written notice of such sale no later than thirty (30) days before the closure thereof, which notice shall include such information regarding the identity of the purchaser and the terms of such sale as Lender may reasonably require to evaluate the proposed sale under the terms and conditions of the ContiTrade Note and this Deed of Trust; and (b) an accounting of the Partnership Advance Account certified by Borrower to be true and correct;

(ii) At the closing of such sale, Borrower shall apply or cause to be applied (or shall have escrowed for such application with a title insurance company satisfactory to Lender) all proceeds of such sale in following order (and Lender may attend such closing to confirm such application or escrow for same and may condition the delivery of the release documents upon reasonable confirmation of such application or escrow);

(1) first, to the reduction of Senior Deeds of Trust (if any) to the extent the same shall be paid or reduced in conjunction with such sale;

(2) second, as to any proceeds remaining after full satisfaction under (1) above, to pay solely the amounts required to be paid under Section 4.6 of the FDIC Restated Note relating to the Property so sold, to be applied first to accrued and unpaid interest at the "Pay Rate", if any, second to "Deferred Interest" and third to "Agreed Valuation Amount" under the FDIC Restated Note, in each instance as defined and provided therein;

(3) third, as to any proceeds remaining after full satisfaction under (2) above, to pay the costs and expenses of obtaining such sale to the extent payment of the same by sellers of real property is commercially reasonable, including without limitation, the following to the extent payment of the same by sellers of real property is commercially reasonable: brokerage fees or commissions; reasonable attorneys' fees; filing and

recordation taxes, charges and fees; transfer taxes (if any); title insurance premiums, abstract fees and survey charges; appraisal fees; environmental review fees and charges; and fees for an escrow closing if applicable;

(4) fourth, as to any proceeds remaining after full satisfaction under (3) above, to fund and pay for Capital Expenditures for any of the NAN Retained Complexes;

(5) fifth, as to any proceeds remaining after full satisfaction under (4) above, to pay the unpaid balances of any amounts required to be paid under Section 4.6 of all NAN Retained Complex

Notes related to the NAN Retained Complexes that continue to be owned by Borrower after closure of such sale ("Remaining Proceeds"); provided, that all Remaining Proceeds received by Lender shall:

(a) on or before the second anniversary of the Effective Date be divided and applied amongst the outstanding balances of the various "Agreed Valuation Amounts" and "Deferred Interests" under the NAN Retained Complex Notes (as defined therein) as and in the amounts Borrower shall designate, as long as such Remaining Proceeds are applied first to all such "Deferred Interests" until they are paid in full and second to all such "Agreed Valuation Amounts" until they are paid in full; and

(b) after the second anniversary of the Effective Date be divided and applied first amongst the outstanding balances of the various "Deferred Interests" under the NAN Retained Complex Notes and second amongst the outstanding balances of the various "Agreed Valuation Amounts" under the NAN Retained Complex Notes, in both cases pro rata based upon the respective "Agreed Valuation Amounts" under such NAN Retained Complex Notes; and

(6) sixth, as to any proceeds remaining after full satisfaction under (5) above, to pay the balance as provided in Sections 3(a)(vi) and (vii) of this Deed of Trust.

-- Plan shall mean the Second Amended and Restated Plan of Reorganization in the Chapter 11 proceeding In re VMS National Properties (Bankr. C.D. Cal., Case No. LA 91-65783-GM), as

confirmed pursuant to an order dated March 12, 1993 of the United States Bankruptcy Court for the Central District of California.

-- Plan Fund shall mean the cash and cash equivalents received from the sources identified in Article VI A of the Plan to be distributed under the Plan to, inter alia, the FDIC and Lender with respect to their respective shares of Residual Proceeds and the ContiTrade Pool Distributions, and which shall include: (a) the net proceeds of any court authorized sale or other disposition of collateral subject to a specific lien, (b) the net proceeds of any sales or refinancings of the Retained Complexes remaining after payment of secured creditors with liens on those Retained Complexes; (c) the net proceeds from the operation of the Retained Complexes; (d) the net proceeds of the Securities Litigation settlement (as defined in the Plan); (e) the net proceeds of investor notes held by National Properties, NRP-I, or NRP-II; and (f) the Partnership Cash.

-- Property Expenditures shall mean all expenses actually paid by Borrower in the ordinary course of business in respect of the ownership, operation, leasing and occupancy of the Property, determined in accordance with standard cash receipts and disbursements accounting, including but not limited to any and all of the following (but without duplication of any item): (i) real estate taxes paid, escrowed or impounded; (ii) special assessments or similar charges assessed against the Property and/or the improvements thereon by a governmental or quasi-governmental authority, agency or similar entity; (iii) personal property taxes; (iv) sales taxes; (v) costs of utilities, air conditioning and heating for the Property; (vi) commercially reasonable maintenance and repair costs for the Property; (vii) fees payable under an asset management agreement approved by Lender pursuant to the Plan; (viii) commercially reasonable management fees for the Property; (ix) wages and salaries of employees engaged in the operation and management of the Property (including without limitation employers' social security taxes and other taxes, insurance benefits and the like, levied on or with respect to such wages or salaries) that are commercially reasonable; (x) premiums paid or escrowed for insurance carried on or with respect to the Property; (xi) commercially reasonable costs to obtain new leases or to extend or renew existing leases, including without limitation lease commissions, advertising and promotion costs, and the costs of repairs or replacements paid to third parties that are not affiliates of Borrower that are necessary to rent vacant apartment units in the Property which are being rented to new tenants, including without limitation painting, cleaning, floor coverings, window coverings and appliances, all such costs to be commercially reasonable; and (xii) debt service on any debt (not prohibited under this Deed of Trust) incurred to finance any costs that would have been Property Expenditures if such costs had been paid in cash or on any other debt that may be approved in the future by Lender. "Property Expenditures" shall also

include without limitation: reasonable accounting and audit fees and costs, reasonable attorneys' fees and other reasonable administrative and general expenses and disbursements, all to the extent incurred by Borrower in connection with the operation and management of the Property, whether or not such accounting, auditing, legal, administrative or general services are performed at the Property or by Borrowers' employees, contractors or professionals who also perform services for other Retained Complexes or other properties under common control (provided the costs are reasonably allocated among the Property and such other Retained Complexes or other properties) (but excluding any asset management fees incurred prior to the Effective Date); and any reasonable portion of Gross Receipts which is deposited in a reserve account for future payments that would have constituted "Property Expenditures" if paid in cash. Notwithstanding anything included within the above definition of "Property Expenditures", the following shall be excluded from "Property Expenditures": (1) foreign, U.S., state and local income taxes, franchise taxes or other taxes based on income; (2) depreciation and any other non-cash deductions for income tax purposes; (3) any costs paid out of a reserve account, as to which the deposit in such reserve account has already been included within "Property Expenditures"; (4) any costs paid from the Plan Fund (as defined in the Plan); (5) any costs (including without limitation wages and salaries) to be paid by the property or asset manager out of its fees that have already been included in "Property Expenditures"; and (6) any payments to the extent such payments constitute a violation of paragraph VI(L)(1) or VI(L)(2) of the Plan.

-- Remaining Cash Flow with respect to a Retained Complex shall mean the Gross Receipts from such Retained Complex remaining (if any) after application thereof pursuant to clauses (i) through (viii) in Section 1(a) of this Deed of Trust.

-- Remaining Foreclosure Proceeds shall have the meaning set forth in Section 3(e) hereof.

-- Remaining Refinancing Proceeds with respect to a Retained Complex shall mean the proceeds of a Bona Fide Refinancing of such Retained Complex remaining (if any) after application thereof pursuant to clauses (i) through (v) in Section 3(a) of this Deed of Trust.

-- Remaining Sales Proceeds with respect to a Retained Complex shall mean the proceeds of a Bona Fide Sale of such Retained Complex remaining (if any) after application thereof pursuant to clauses (i) through (v) in Section 3(a) of this Deed of Trust.

-- Residual Proceeds with respect to the Property shall mean the funds remaining, if any, of Remaining Cash Flow, Remaining Refinancing Proceeds and/or Remaining Sales Proceeds

from the Property after application thereof pursuant to clauses (i) through (ix) in Section 1(a) of this Deed of Trust or clauses (i) through (vi) in Section 3(a) of this Deed of Trust, respectively, (and similar provisions in the FDIC Deed of Trust).

-- Retained Complex shall mean those of the 17 residential apartment complexes described in Schedule 1 annexed hereto that are and continue to be owned by Borrower and encumbered by the counterparts of this Deed of Trust and including that property commonly referred to as Crossroads with respect to which property Lender holds a security interest in a partnership interest in the partnership that owns such apartment complex. Without limitation to the generality of the foregoing sentence, any such apartment complex shall cease to be a Retained Complex if and when Borrower ceases to own it, including without limitation by sale or conveyance to Lender, Lender's designee, the holder of a Senior Deed of Trust or its designee, the holder of an FDIC Deed of Trust or its designee, or to any other person or party, or by order or decision of the Court.

-- Retained Complex Notes shall mean all those 17 restated promissory notes of even date herewith between Borrower and FDIC that, at the top of the first pages thereof, set forth the names and states of the Retained Complexes and initial amounts of the FDIC's Allowed Claims under the Plan (or \$300,000 in the cases of Bellevue Towers or North Park Terrace [a/k/a Carlisle Square]), to the extent the same have not been paid or prepaid in full according to their terms, but excluding (a) the FDIC Restated Note related to the Property, and (b) any such notes related to any apartment complexes that shall cease to be Retained Complexes.

-- Senior Deed of Trust shall mean (a) any currently existing deed of trust, mortgage, mortgage deed or like security in real property encumbering the Property, as the same may be modified at any time after recordation of this document or concurrently herewith provided such modification shall not secure an increased principal amount over the amount secured on the date hereof, nor adversely affect the right of Lender compared to the terms of the Senior Deed of Trust in effect on the date hereof, that is senior in priority of lien to this Deed of Trust but expressly excluding the FDIC Deed of Trust and the FDIC Residual Proceeds Deed of Trust encumbering the Property, and (b) any deed of trust or other like instrument resulting from or given in connection with a Permitted Refinancing of a Senior Deed of Trust to which Lender is obligated under Section 28 hereof to subordinate or elects in writing to subordinate.

(b) All capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Plan.

42. Additional Collateral. To secure further the payment of indebtedness secured by this Deed of Trust, Borrower hereby grants to Lender a security interest in the property in the Plan Fund, provided that such security interest shall not cover, affect or extend to any and all allocations of Residual Proceeds to the FDIC pursuant to Article V of the Plan. Notwithstanding the foregoing sentence to the contrary, Borrower shall make all applications and payments of funds out of the Plan Fund as may be consistent with the ContiTrade Note, this Deed of Trust or the terms of the Plan for Lender's accounts. In furtherance of such security interest in the Plan Fund, Borrower agrees to hold the Plan Fund in trust, to keep all monies in a segregated account and not commingled with any funds not subject to Lender's security interest.

43. Counterparts. This counterpart of this Deed of Trust shall be recorded by Lender in the appropriate recording office for the County and State in which the Property is located, but this counterpart constitutes a counterpart of a single Deed of Trust covering all the properties listed in Schedule 1 attached hereto, including without limitation the Property.

44. Further Assurances. From time to time hereafter, Borrower shall execute and deliver such other instruments or documents and take such further action as may be reasonably necessary to comply with the local law of any jurisdiction in which a Retained Complex is located and to permit recording of this Deed of Trust and as otherwise may be reasonably required in connection with effecting or carrying out the provisions of this Deed of Trust or the Plan.

45. Relationship of the Parties. Nothing contained in this Deed of Trust shall be construed to imply a joint venture, partnership, principal-agent or equity relationship between the Borrower and Lender. This Deed of Trust shall not be construed to create rights, expressed or implied, on behalf of or for the use of Lender not expressed herein.

46. Limitation on Borrower's Liability. Upon any default by Borrower under the ContiTrade Note, the Deed of Trust, or any other document evidencing or further securing the indebtedness evidenced by the ContiTrade Note, Lender's sole recourse shall be to the Collateral, the Plan Fund, the Partnership Cash, the Partnership Advance Account, the Junior Distributees Negative Pledge and allocations thereunder and the ContiTrade rights of payment as provided in the Plan, and Lender shall not be entitled to obtain a personal or deficiency judgment against Borrower (or any of Borrower's partners, shareholders, directors, officers, employees or principals), and none shall be sought or entered. It is expressly understood and agreed that nothing contained in this Section 46 shall in any manner constitute or be deemed to be a release or impairment of the indebtedness evidenced by the ContiTrade Note and secured by this

Deed of Trust or otherwise affect or impair the enforceability of the ContiTrade Note, this Deed of Trust or any other instrument or agreement securing the ContiTrade Note or ContiTrade Pool Distributions except to the extent expressly provided in this Deed of Trust. Furthermore, nothing in this Section 46 shall preclude Lender from foreclosing under this Deed of Trust, from proceeding against any and all security held by Lender or from enforcing any and all of Lender's rights and remedies at law or in equity except as expressly provided in this Deed of Trust. Borrower acknowledges and agrees that the Collateral has been encumbered as security for the entire indebtedness and all obligations evidenced by the ContiTrade Note. Notwithstanding the foregoing provisions, Borrower shall be fully liable to Lender, to the extent permitted by law, for all actual damages suffered by Lender as a result of or in connection with (a) any intentional or willful fraud of Borrower or (b) any conversion or misapplication of sums due, if any, from the Collateral, the Plan Fund, the Partnership Cash, the Partnership Advance Account, the Junior Distributees Negative Pledge and allocations thereunder and the ContiTrade rights of payment as provided in the Plan, in violation of the terms of this Deed of Trust or any other instrument or agreement securing the ContiTrade Note or the ContiTrade Pool Distributions, excluding actions by parties other than Borrower, or its partners, principals, stockholders, officers, or directors, unless such actions were undertaken at the instruction(s) of Borrower.

IN WITNESS WHEREOF, BORROWER has executed this Deed of Trust or has caused the same to be executed by its representatives thereunto duly authorized.

VMS NATIONAL PROPERTIES, an Illinois
general partnership

By: _____
Greg H. Smith, Authorized Signatory

ACKNOWLEDGMENT

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

On this _____ day of _____ 1993, before me, the undersigned subscriber, a Notary Public in and for the State of California, personally appeared GREG H. SMITH, known to me, or proved to me on the basis of satisfactory evidence, to be the authorized agent of VMS NATIONAL PROPERTIES, an Illinois general partnership, the general partnership that executed the within instrument, and known to me to be the person who executed the within instrument as authorized agent and on behalf of said general partnership, and acknowledged to me that such general partnership executed the same as the act and deed of said general partnership.

Notary Public in and for the County
of Los Angeles, and the State of
California.

Name (typed or printed):

My commission expires:

(This area reserved
for official seal)

SCHEDULE 1

The 17 Apartment Complexes

<u>No.</u>	<u>Name of Apartment Complex</u>	<u>State of Apartment Complex</u>
2C-1	Buena Vista	California
2C-2	Mountain View, San Dimas	California
2D-1	The Bluffs	Oregon
2D-2	Chapelle Le Grande	Indiana
2D-3	North Park	Indiana
2D-4	Scotchollow	California
2D-5	Shadowood	Louisiana
2D-6	Terrace Gardens	Nebraska
2D-7	Towers of Westchester	Maryland
2D-8	Watergate	Arkansas
2D-9	Crosswood Park	California
2D-10	Forest Ridge	Arizona
2D-11	Vista Village	Texas
2D-12	Casa De Monterey	California
2D-13	Pathfinder Village	California
2D-14	Bellevue Tower	Tennessee
2D-15	North Park Terrace [a/k/a Carlisle Square]	New Mexico

SCHEDULE A

Description of the Property

Part of the Northeast Quarter of Section 4, Township 15 North, Range 12 East of the 6th P.M., Douglas County, Nebraska, and Lots 1 through 6, inclusive, Block 39, Maple Village as surveyed, platted and recorded in Douglas County, Nebraska, and vacated Grand Avenue, Saratoga Street and Redman Avenue, all more particularly described as follows: Beginning at a point which is South 175.0 feet and South 89° 40' West 175.0 feet from the Northeast corner of the Southwest Quarter of the Northeast Quarter of said Section 4; thence South 89° 40' West, 728.75 feet to a point on the East Right Of Way Line of Interstate Highway No. 680; thence North 1° 46' 30" East on the East Right Of Way Line of Interstate Highway No. 680, 443.40 feet; thence North 20° 03' 42" East on the Easterly Right Of Way line of Interstate Highway No. 680, 333.17 feet; thence North 89° 40' East, 499.45 feet; thence South 0° 20' East, 125.0 feet; thence North 89° 40' East 93.0 feet to the Southeast corner of Lot 7, Block 39, Maple Village; thence Southerly on a curve to the right (radius being 1495.71 feet, chord bearing South 1° 26' 02" East), an arc distance of 74.86 feet; thence South on the East Line of Lots 1 through 6, inclusive, Block 39, Maple Village, 505.17 feet; thence South 5° 42' 50" East, 50.22 feet to the point of beginning, in the City of Omaha.

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23780

NW NE