

10-20-2000



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U.S. Department of Commerce
Patent and Trademark Office
PATENT**RECORDATION FORM COVER SHEET
PATENTS ONLY**

10-b-00

TO: The Commissioner of Patents and Trademarks: Please record the attached original document(s) or copy(ies).

Submission Type

- ☒ New
- ☐ Resubmission (Non-Recordation)
Document ID#
- ☐ Correction of PTO Error
Reel # Frame #
- ☐ Corrective Document
Reel # Frame #

Conveyance Type

- ☐ Assignment ☒ Security Agreement
- ☐ License ☐ Change of Name
- ☐ Merger ☐ Other
- U.S. Government**
(For Use ONLY by U.S. Government Agencies)
- ☐ Departmental File ☐ Secret File

Conveying Party(ies)☐ Mark if additional names of conveying parties attached

Name (line 1) NSW, LLC

Execution Date
Month Day Year
09 27 00

Name (line 2) A limited liability company of Virginia

Second Party

Name (line 1)

Execution Date
Month Day Year

Name (line 2)

Receiving Party

Mark if additional names of receiving parties attached

Name (line 1) SunTrust Bank

Name (line 2)

Address (line 1) 510 S. Jefferson Street

Address (line 2)

Address (line 3) Roanoke VA 24001

City

State/Country

Zip Code

☐ If document to be recorded
is an assignment and the
receiving party is not
domiciled in the United
States, an appointment
of a domestic
representative is attached.
(Designation must be a
separate document from
Assignment.)

Domestic Representative Name and Address

Enter for the first Receiving Party only.

Name

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

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FOR OFFICE USE ONLY

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Public burden reporting for this collection of information is estimated to average approximately 30 minutes per Cover Sheet to be recorded, including time for reviewing the document and gathering the data needed to complete the Cover Sheet. Send comments regarding this burden estimate to the U.S. Patent and Trademark Office, Chief Information Officer, Washington, D.C. 20231 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (0651-0027), Washington, D.C. 20503. See OMB Information Collection Budget Package 0651-0027, Patent and Trademark Assignment Practice. DO NOT SEND REQUESTS TO RECORD ASSIGNMENT DOCUMENTS TO THIS ADDRESS.

Mail documents to be recorded with required cover sheet(s) information to:
Commissioner of Patents and Trademarks, Box Assignments, Washington, **PATENT**

REEL: 011159 FRAME: 0951

Correspondent Name and Address

Area Code and Telephone Number (540) 510-3046

Name Tara A. Branscom, Esq.

Address (line 1) Flippin, Densmore, Morse & Jessee

Address (line 2) 1800 First Union Tower

Address (line 3) Drawer 1200

Address (line 4) Roanoke, VA 24006-1200

Pages

Enter the total number of pages of the attached conveyance document including any attachments.

30

Application Number(s) or Patent Number(s)

☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

6,083,441		
5,993,936		

If this document is being filed together with a new Patent Application, enter the date the patent application was signed by the first named executing inventor.

Month Day Year

Patent Cooperation Treaty (PCT)

Enter PCT application number
only if a U.S. Application Number
has not been assigned.

PCT		PCT		PCT	
PCT		PCT		PCT	

Number of Properties

Enter the total number of properties involved.

2

Fee Amount

Fee Amount for Properties Listed (37 CFR 3.41): \$ 80.00

Method of Payment:
Deposit Account

Enclosed ☒ Deposit Account ☐

(Enter for payment by deposit account or if additional fees can be charged to the account.)

Deposit Account Number:

#

Authorization to charge additional fees:

Yes ☐ No ☐

Statement and Signature

To the best of my knowledge and belief, the foregoing information is true and correct and any attached copy is a true copy of the original document. Charges to deposit account are authorized, as indicated herein.

Lawrence E. Ptaschek
Name of Person Signing

Signature

Date

RECORDATION FORM COVER SHEET
CONTINUATION
PATENTS ONLY

U.S. Department of Commerce
Patent and Trademark Office
PATENT

Conveying Party(ies)

☐ Mark if additional names of conveying parties attached

Enter additional Conveying Parties

Name (line 1)

Execution Date
Month Day Year

Name (line 2)

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Execution Date
Month Day Year

Name (line 1)

Name (line 2)

Receiving Party(ies)

☐ Mark if additional names of receiving parties attached

Enter additional Receiving Party(ies)

Name (line 1)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Name (line 1)

☐ If document to be recorded is an assignment and the receiving party is not domiciled in the United States, an appointment of a domestic representative is attached. (Designation must be a separate document from Assignment.)

Name (line 2)

Address (line 1)

Address (line 2)

Address (line 3)

City

State/Country

Zip Code

Application Number(s) or Patent Number(s)

☐ Mark if additional numbers attached

Enter either the Patent Application Number or the Patent Number (DO NOT ENTER BOTH numbers for the same property).

Patent Application Number(s)

Patent Number(s)

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This Security Agreement ("Agreement") dated September 27, 2000, is made by NSW, LLC (herein, whether one or more, the "Owner") for the use and benefit of SunTrust Bank, its present and future affiliates and their successors and assigns (collectively, the "Bank").

Security Agreement. In order to induce the Bank from time to time to enter into agreements with and to extend or continue to extend credit to NSW, LLC, whether one or more and any combination thereof, (the "Borrower"), the Owner (which may include the Borrower) hereby grants the Bank a security interest in the collateral and all proceeds, products, rents and profits thereof and all revenues from the right to use the collateral described below (the "Collateral") to secure the prompt payment and performance of all present and future obligations, liabilities, and indebtedness of every kind and description of the Borrower to the Bank, whether such obligation is direct or indirect, joint or several, fixed or contingent, liquidated or unliquidated, whether evidenced by note, agreement, letter of credit, overdraft, guaranty, interest rate hedge agreement or other derivative transaction agreement, accounting entry or otherwise, and including any extensions, modifications or renewals thereof (the "Obligation(s)") and to secure the performance by the Owner of the agreements and warranties contained in this Agreement.

Collateral. As used in this Agreement, the term Collateral, whether now existing or acquired in the future, shall mean:

All accounts ("Accounts"), Inventory ("Inventory"), furniture, fixtures and equipment ("Equipment"), general intangibles ("General Intangibles"), instruments, documents and chattel paper, including, without limitation, all goods represented thereby and all goods that may be reclaimed or repossessed from or returned by account debtors and all proceeds, products, rents and profits thereof (as all such terms are defined in the Uniform Commercial Code).

Representations and Warranties. The Owner represents and warrants to the Bank as follows:

- a) NSW, LLC is/are and will continue to be the absolute owner of the Collateral. There are no other owners or liens or security interests affecting the Collateral other than the security interest granted in this Agreement except those previously disclosed to the Bank in writing by the Owner; if the Owner is acting in the capacity of trustee, administrator or executor of an estate, such fact shall be disclosed and evidence of capacity shall be provided to the Bank;
- b) The Owner will defend the Collateral against the claims and demands of all parties. The Owner will not, without prior written consent of the Bank, grant any security interest in the Collateral and will keep it free from any lien, encumbrance or security interest;
- c) If applicable to the Collateral pledged, the Owner represents and warrants that the Collateral never has been, and never will be as long as this Agreement remains a lien on the Collateral, used for the generation, collection, manufacture, storage, treatment, disposal, release or threatened release of any hazardous substance, as those terms are defined in the Comprehensive Environment Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), SuperFund Amendments and Reauthorization Act ("SARA"), applicable state laws, or regulations adopted pursuant to either of the foregoing. The Owner agrees to comply with any federal, state or local law, statute, ordinance or regulation, court or administrative order or decree or private agreement regarding materials which require special handling in collection, storage, treatment or disposal because of their impact on the environment ("Environmental Requirements"). The Owner agrees to indemnify and hold the Bank harmless against any and all claims, losses and expenses resulting from a breach of this provision of this Agreement and the Owner will pay or reimburse the Bank for all costs and expenses for expert opinion or investigations required or requested by the Bank which, in the Bank's sole discretion, are necessary to ensure compliance with this provision of this Agreement. This obligation to indemnify shall survive the payment of the Obligations and the satisfaction of the Agreement;
- d) The primary use of the Collateral is and will be: business;
- e) If applicable to the type of collateral pledged, the Owner warrants and represents that all Collateral has been produced in compliance with the Fair Labor Standards Act or other applicable wage and employee law, rule, regulation or order, and that no existing or future liability shall occur as a result. The Owner may contest, in good faith, the applicability of any such law, rule, regulation or order, including prosecuting any appeals, so long as the Bank's interest in the Collateral, in the opinion of the Bank, is not jeopardized thereby;
- f) The Owner, if an individual, is above the age of majority and has the legal capacity to enter into this Agreement;
- g) The Owner must notify the Bank in writing at least 30 days prior to any change of its name, corporate structure or identity;
- h) The location of the principal place of business (or home address if an individual) of NSW, LLC in Virginia is the City of Roanoke. There are no other places of business in this state. Books of accounts and records are maintained at: 530 Gregory Avenue, Roanoke, VA 24016.
- i) The Collateral will be located at offices of the Bank or at: 530 Gregory Avenue, Roanoke, VA 24016 and 1713 Plantation Road, Roanoke, Virginia 24019. The Owner will maintain the Collateral in this/these location(s). The Collateral shall not be moved from the above locations without the prior written consent of the Bank;
- j) All information supplied and statements made to the Bank in any financial or credit statements or applications are true, correct, complete, valid and genuine in all material respects;

Accounts.

- a) The owner warrants that each and every Account, now owned or hereafter acquired is a bona fide existing obligation, valid and enforceable against the account debt, for goods sold or leased and delivered or services rendered in the ordinary course of business; it is subject to no dispute, defense or offset; the Owner has good title to the Account and has full right and power to grant the Bank a security interest in the Collateral;
- b) The Owner will immediately notify the Bank of any Account to which the above warranties are or become untrue;
- c) The Owner will prepare and deliver to the Bank, at the Bank's request, a listing and aging of all Accounts and any further schedules or information that the Bank may require.
- d) The Bank shall have the right at any time to notify account debtors of its security interest in the Accounts and require payments to be made directly to the Bank. The Owner appoints the Bank and any officer or employee of the Bank, as the Bank may from time to time designate, as its attorneys-in-fact for the Owner, to sign and endorse in the name of the Owner, to give notice in the name of the Owner, and to perform all other actions necessary or desirable at the reasonable discretion of the Bank to effect these provisions and carry out the intent of this Agreement, all at the cost and expense of the Owner. The Owner ratifies and approves all acts of such attorneys-in-fact and neither the Bank nor any other such attorneys-in-fact will be liable for any acts of commission or omission nor for any error or judgment or mistake of fact or law. This power being coupled with an interest is irrevocable so long as any Account or General Intangible assigned to the Bank remains unpaid and the Borrower has any Obligations to the Bank. The costs of such collection and enforcement, including attorneys' fees and out-of-pocket expenses, shall be borne solely by the Owner whether the same are incurred by the Bank or the Owner;
- e) At the option of the Bank, all payments on the Accounts received by the Owner shall be remitted to the Bank in their original form on the day of receipt; all notes, checks, drafts and other instruments so received shall be duly endorsed to the order of the Bank. At the Bank's election, the payments shall be deposited into a special deposit account ("Special Account") maintained with the Bank. The Bank may designate with each such deposit the particular Account upon which payment was made. The Special Account shall be held by the Bank as security for the Obligations. Prior to depositing payments on the Accounts into the Special Account, the Owner agrees that it will not commingle such payments with any of the Owner's funds or property, but will hold them separate and apart and in trust for the Bank. The Bank will have the power to withdraw from the Special Account. The Bank may at any time and from time to time, in its sole discretion, apply any part of the funds in the Special Account to the Obligations whether or not the same is due. Upon full and final satisfaction of the Obligations plus termination of any commitment to extend additional funds, the Bank will pay to the Owner any excess funds, whether received by the Bank as a deposit in the Special Account or as a direct payment on any of the Obligations;
- f) If any of the Owner's Accounts arise out of contracts with the United States or any department, agency, or instrumentality thereof, the Owner will immediately notify the Bank in writing and execute any instruments and take any steps required by the Bank in order that all monies due and to become due under such contracts shall be assigned to the Bank and in order that proper notice be given under the Federal Assignment of Claims Act;
- g) The Bank shall not be liable and shall suffer no loss on account of loss or deprivation of any Account due to acts of omissions of the Bank unless the Bank's conduct is willful and malicious, and the Bank shall have no duty to take any action to preserve the Collateral or collect Accounts.

Covenants.

- a) The Owner shall maintain complete and accurate books of account and records, and its principal books of account and records, including all records concerning Accounts and contract rights, shall be kept and maintained at the place(s) specified above. The Owner shall not move such books of account and records without giving the Bank at least 30 days prior written notice and executing and delivering to the Bank financing statements satisfactory to the Bank prior to any such move. All accounting records and financial reports furnished to the Bank shall be maintained and prepared in accordance with generally accepted accounting principles consistently applied. It is specifically agreed that the Bank shall have and the Owner grants to the Bank a security interest in all books of account and records of the Owner and the Bank shall have access to them at any time for inspection, verification, examination and audit;
- b) The Owner shall furnish to the Bank financial and business information and reports in form and content satisfactory to the Bank as and when the Bank may from time to time require;
- c) The Owner, if a corporation, shall maintain its corporate existence in good standing and shall not consolidate or merge with or acquire the stock of any other corporation without the prior written consent of the Bank. If the Owner is a corporation, the Owner shall, at the request of the Bank, qualify as a foreign corporation and obtain all requisite licenses and permits in each jurisdiction where the Owner does business. The Owner shall not discontinue business, liquidate, sell, transfer, assign or otherwise dispose of any of its assets, except with the prior written permission of the Bank, however, that it may sell in the ordinary course of business and for full consideration, any product, merchandise or service produced or marketed by it. The Bank's security interest shall attach to all proceeds of all sales or dispositions of the Collateral;
- d) As appropriate, the Owner shall maintain all of the Collateral in good condition and repair. The Bank shall have the right to inspect the Collateral at any reasonable time and shall have the right to obtain such appraisals, reappraisals, appraisal updates or environment inspections as the Bank, in its sole discretion, may deem necessary from time to time;
- e) The Owner shall at all times keep insurable Collateral insured against any and all risks, including, without limitation, fire and other insurance, including but not limited to flood insurance, as may be required by the Bank from time to time; and in amounts as may be satisfactory to the Bank. The Bank shall be named as Loss Payee on any such insurance policies.

Borrower incurred or contracted by the Borrower or acquired by the Bank after the date on which the notice is personally delivered to or mailed by registered mail and accepted by the Borrower's lending officer.

Execution by More than One Party. The term "Owner" as used in this Agreement shall, if this instrument is signed by more than one Party, mean the "Owner and each of them" and each shall be jointly and severally obligated and liable. If any Party shall be a partnership or limited liability company, the agreements and obligations on the part of the Owner shall remain in force and applicable regardless of any charges in the parties composing the Owner and the term "Owner" shall include any altered or successive partnerships or limited liability companies and the predecessor partnerships or limited liability companies and their partners or members shall not be released from any obligation or liability.

Waivers by the Owner. The Owner hereby waives (a) notice of acceptance of this Agreement and of any extensions, modifications or renewals of credit by the Bank to the Borrower; (b) presentment and demand for payment of the Obligations; (c) protest and notice of dishonor or default to the Owner or to any other Party with respect to the Obligations; (c) all other notices to which the Owner might otherwise be entitled; and (d) if for business purposes, the benefit of the Homestead Exemption. The Owner further waives any right to require that any action be brought against the Borrower or any other Party, to require that resort be had to any security or to any balance of any deposit account or credit on the books of the Bank in favor of the Borrower or any other Party. The Owner further agrees that it shall not be subrogated and will not enforce on its part or behalf any right of action which the Bank may have against the Borrower until every Obligation secured under this Agreement is paid in full.

No Obligation to Extend Credit. This Agreement shall not be construed to impose any obligation on the Bank to extend or continue to extend any credit at any time.

Indemnification. The Owner agrees to indemnify and hold harmless the Bank and its subsidiaries, successors, and assigns and their respective agents, directors, employees, and officers from and against any and all complaints, claims, defense, demands, actions, bills, causes of action (including, without limitations, costs and attorneys' fees), and losses of every nature and kind whatsoever, which may be raised or sustained by any directors, officers, employees, shareholders, creditors, regulators, successors in interest, or receivers of the Borrower or any third party as a result of or arising out of, directly or indirectly, the Bank extending credit as evidenced by the Obligation to the Borrower, and taking the Collateral as security for the indebtedness, and the Owner further agrees to be liable for any and all judgments which may be recovered in any such action, claim, proceeding, suit, or bill, including any compromise or settlement, and defray any and all expenses, including, without limitation, costs and attorneys' fees, that may be incurred in or by reason of any actions, claims, proceedings, suits, or bills.

Financing Statements. The Owner will deliver any instruments of further assignment or assurance that the Bank may from time to time request to carry out the intent of this Agreement, and will join with the Bank in executing financing statements and other documents in form satisfactory to the Bank and pay the cost of filing the same, including all recordation, transfer and other taxes and fees, continuation statements and any other documents in any public office deemed advisable by the Bank. The Owner agrees that a carbon, photographic or other reproduction of a financing statement or this Agreement shall be sufficient as a financing statement.

Successor in Interest; SunTrust Bank as Collateral Agent. This Agreement shall be binding upon the Owner, its successors and assigns, and the benefits hereof shall inure to the Bank, its successors and assigns. SunTrust Bank shall serve as collateral agent on behalf of itself and present and future affiliates.

Waiver by the Bank. The Bank may waive any default or remedy any default without waiving the default remedied or any other prior or subsequent default. The Bank's failure to exercise any right or take any action under this Agreement shall not constitute a waiver of that or any other right or action.

Waiver of Jury Trial. TO THE EXTENT LEGALLY PERMISSIBLE, THE OWNER WAIVES ALL RIGHT TO TRIAL BY JURY IN ANY LITIGATION RELATING TO TRANSACTIONS UNDER THIS AGREEMENT, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

Choice of Law. The Owner agrees that certain material events and occurrences relating to this Agreement bear a reasonable relationship to the laws of the Commonwealth of Virginia. The validity, terms performance and enforcement of this Agreement shall be governed by the laws of such jurisdiction which are applicable to agreements which are negotiated, executed, delivered and performed solely in such jurisdiction.

The undersigned has/have executed or caused this Agreement to be executed under seal as of the date above.

NSW, LLC
530 Gregory Avenue
Roanoke, VA 24016

NSW, LLC

By:  (Seal)

Lawrence E. Ptaschek

Name and title printed or typed

President / Manager

NOW THEREFORE, in order to induce the Lender to make the Loan to the Grantor, the Grantor agrees as follows:

ARTICLE I

Definitions, Rules of Construction

Section 1.1 Definitions. As used in this Deed of Trust, the terms defined in the Preamble and Recitals hereto shall have the respective meanings specified therein, and the following terms shall have the meanings indicated:

“Accounts” means all accounts of the Grantor within the meaning of the Uniform Commercial Code of the State derived from or arising out of the use, occupancy or enjoyment of the Property or for services rendered therein or thereon.

“Additions” means any and all alterations, additions, accessions and improvements to property, substitutions therefor, and renewals and replacements thereof.

“Beneficiary” means the Lender and its successors and assigns.

“Casualty” means any act or occurrence of any kind or nature that results in damage, loss or destruction to the Property.

“Claim” means any liability, suit, action, claim, demand, loss, expense, penalty, fine, judgment or other cost of any kind or nature whatsoever, including without limitation, fees, costs and expenses of attorneys, consultants, contractors and experts.

“Condemnation” means any taking of title, of use, or of any other property interest under the exercise of the power of eminent domain, whether temporarily or permanently, by any Governmental Authority or by any Person acting under Governmental Authority.

“Condemnation Awards” means any and all judgments, awards of damages (including, but not limited to, severance and consequential damages), payments, proceeds, settlements, amounts paid for a taking in lieu of Condemnation, or other compensation heretofore or hereafter made, including interest thereon, and the right to receive the same, as a result of, or in connection with, any Condemnation or threatened Condemnation.

“Contracts of Sale” means any contracts for the sale of all or any part of the Real Property or any interest therein, whether now or hereafter executed, including, without limitation, all of the Proceeds thereof, any funds deposited thereunder to secure performance by the purchasers of their obligations and the right, at the Beneficiary’s sole option, to receive and collect all payments due under any contracts of sale.

“Deed of Trust” means this Deed of Trust, Assignment and Security Agreement executed by the Grantor for the benefit of the Beneficiary, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Default" means an event which, with the giving of Notice or lapse of time, or both, could or would constitute an Event of Default under the provisions of this Deed of Trust.

"Encumbrance" means any Lien, easement, right of way, roadway (public or private), common area, condominium regime, cooperative housing regime, restrictive covenant, Lease or other matter of any nature that would affect title to the Property.

"Environmental Assessment" means a report of an environmental assessment of the Real Property of such scope (including but not limited to the taking of soil borings and air and groundwater samples and other above and below ground testing) as the Beneficiary may request, prepared by a recognized environmental consulting firm acceptable to the Beneficiary in all respects and sufficient in detail to comply with the Beneficiary's established guidelines and the guidelines of any appropriate Governmental Authority.

"Environmental Requirement" means any Law or other agreement or restriction, whether public or private (including but not limited to any condition or requirement imposed by any insurer or surety company), now existing or hereafter created, issued or enacted and all amendments thereto, modifications thereof and substitutions therefor, which in any way pertains to human health, safety or welfare, Hazardous Materials, Hazardous Materials Contamination or the environment (including but not limited to ground, air, water or noise pollution or contamination, and underground or above ground tanks) and shall include without limitation, the Resource Conservation and Recovery Act (the Solid Waste Disposal Act), 42 U.S.C. § 6901 et seq.; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. § 9601 et seq. ("CERCLA"), as amended by the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; and the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.

"Equipment" means all building materials, fixtures, equipment and other tangible personal property of every kind and nature whatsoever (other than consumable goods, inventory for sale and trade fixtures or other personal property owned by tenants occupying the Improvements), now or hereafter located or contained in or upon, or attached to, the Real Property, whether now owned or hereafter acquired by the Grantor; together with all Additions to the Equipment and Proceeds thereof.

"Event of Default" means the occurrence of any one or more of the events specified in Article VI of this Deed of Trust and the continuance of such event beyond the applicable cure periods, if any, set forth in Article VI.

"Expenses" means all reasonable costs and expenses of any nature whatsoever incurred at any time and from time to time (whether before or after an Event of Default) by the Beneficiary or the Trustees in exercising or enforcing any rights, powers and remedies provided in this Deed of Trust or any of the other Loan Documents, including, without limitation, attorney's fees, court costs, receiver's fees, management fees and costs incurred in the repair, maintenance and operation of, or taking possession of, or selling, the Property.

"Loan Documents" means this Deed of Trust, the Debenture, the Loan Agreement and any and all other documents which the Grantor or any other party or parties have executed and delivered, or may hereafter execute and deliver, to evidence, secure or guarantee the Obligations, or any part thereof, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Governmental Authority" means any governmental or quasi-governmental entity, including, without limitation, any department, commission, board, bureau, agency, administration, service or other instrumentality of any governmental entity.

"Hazardous Materials" means any and all hazardous or toxic substances, wastes or materials which, because of their quantity, concentration, or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard or nuisance to human health, safety or welfare or to the environment when used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled, including without limitation, any substance, waste or material which is or contains asbestos, radon, polychlorinated biphenyls, urea formaldehyde, explosives, radioactive materials or petroleum products.

"Hazardous Materials Contamination" means the contamination (whether presently existing or occurring after the date of this Deed of Trust) of the Improvements, facilities, soil, ground water, air or other elements on, in or constituting a part of, the Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, ground water, air or other elements on, in or constituting a part of, any other property as a result of Hazardous Materials at any time (whether before or after the date of this Deed of Trust) emanating from the Property.

"Improvements" means all buildings, structures and other improvements now or hereafter existing, erected or placed on the Land, or in any way used in connection with the use, enjoyment, occupancy or operation of the Land.

"Land" means the land described in Exhibit A attached hereto located in the City of Roanoke, Virginia, together with (a) all estates, title interests, title reversion rights, increases, issues, profits, rights of way or uses, additions, accretions, servitudes, gaps, gores, liberties, privileges, water rights, water courses, alleys, streets, passages, ways, vaults, licenses, tenements, franchises, hereditaments, appurtenances, easements and other rights, now or hereafter owned by the Grantor and belonging or appertaining to the Land, (b) all Claims whatsoever of the Grantor with respect to the Land, either in law or in equity, in possession or in expectancy, and (c) all estate, right, title and interest of the Grantor in and to all streets, roads and public places, opened or proposed, now or hereafter adjoining or appertaining to, the Land.

"Laws" means federal, state and local laws, statutes, rules, ordinances, regulations, codes, licenses, authorizations, decisions, injunctions, interpretations, orders or decrees of any court or other Governmental Authority having jurisdiction as may be in effect from time to time.

"Leases" means all leases, license agreements and other occupancy or use agreements (whether oral or written), now or hereafter existing, which cover or relate to the Property, together with all options therefor, amendments thereto and renewals, modifications and guarantees thereof, including, without limitation, any cash or securities deposited under the Leases to secure performance by the tenants of their obligations under the Leases, whether such cash or securities are to be held until the expiration of the terms of the Leases or applied to one or more of the installments of rent coming due.

"Lien" means any mortgage, deed of trust, pledge, security interest, assignment, judgment, lien or charge of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing of, or agreement to give, any financing statement under the Uniform Commercial Code of any jurisdiction.

"Loan Agreement" means the Loan Agreement of even date hereof between the Grantor and the Lender which sets forth, among other things, the terms and conditions upon which the Loan proceeds will be disbursed, as the same may from time to time be extended, amended, restated, supplemented or otherwise modified.

"Net Proceeds", when used with respect to any Condemnation Awards or insurance proceeds allocable to the Property, means the gross proceeds from any Casualty or Condemnation remaining after payment of all expenses (including attorneys' fees) incurred in the collection of such gross proceeds.

"Notice" means a communication delivered to the Person to whom such communication is to be given, by the means at the address set forth in Section 8.9 of the Loan Agreement.

"Obligations" means all present and future debts, obligations and liabilities of the Grantor to the Beneficiary and the Trustees arising pursuant to, and/or on account of, the Debenture, this Deed of Trust or any of the other Loan Documents, including, without limitation: (a) the obligation to pay all principal, interest, late charges and prepayment premiums (if any) due at any time under the Debenture; (b) the full and prompt performance of all of the obligations of the Grantor to the Beneficiary under this Deed of Trust and the other the Loan Documents to which the Grantor is a party; (c) the full and prompt payment of all court costs, and other reasonable expenses and costs of whatever kind incident to the collection of the indebtedness evidenced by the Debenture, the enforcement or protection of the security interests of the Security Instruments (as defined in the Loan Agreement) or the exercise by the Beneficiary of any rights or remedies of the Beneficiary with respect to the indebtedness evidenced by the Debenture, including without limitation reasonable attorneys' fees incurred by the Beneficiary, all of which the Grantor agrees to pay to the Beneficiary upon demand; and (d) the obligation to pay all Expenses, indemnification payments and other sums due at any time under this Deed of Trust together with interest thereon as provided in Section 4.18, and.

"Permitted Encumbrances" means (a) the Encumbrances set forth in Commitment No. 0003951RO/B dated September 1, 2000, revised September 26, 2000, issued by Investors Title Insurance Company, (b) this Deed of Trust, (c) any Leases so long as such Leases are

subject and subordinate to this Deed of Trust, (d) liens for Property Assessments which are either (i) not delinquent, or (ii) being contested in accordance with the provisions of Section 4.19, and (e) any liens that have been disclosed by the Grantor to the Beneficiary in the Loan Agreement.

“Person” means an individual, a corporation, a partnership, a joint venture, a trust, an unincorporated association, any Governmental Authority or any other entity.

“Personalty” means all of the Grantor’s interest in personal property of any kind or nature whatsoever, whether tangible or intangible and whether now owned or hereafter acquired, which is used in the construction of, or is placed upon, or is derived from or used in connection with the maintenance, use, occupancy or enjoyment of, the Property, including, without limitation, (a) the Equipment, (b) the Accounts, (c) any franchise or license agreements and management agreements entered into with respect to the Property or the business conducted therein (provided all of such agreements shall be subordinate to this Deed of Trust, and the Beneficiary shall have no responsibility for the performance of the Grantor’s obligations thereunder), and (d) all plans and specifications, contracts and subcontracts for the construction or repair of the Improvements, sewer and water taps, allocations and agreements for utilities, bonds, permits, licenses, guarantees, warranties, causes of action, judgments, Claims, profits, security deposits, utility deposits, refunds of fees or deposits paid to any Governmental Authority, letters of credit and policies of insurance; together with all Additions to the Personalty and Proceeds thereof.

“Proceeds”, when used with respect to any of the collateral described in this Deed of Trust, means all proceeds within the meaning of the Virginia Uniform Commercial Code and shall also include the proceeds of any and all insurance policies.

“Property” means the Land, the Improvements and the Personalty, and all Additions to, and Proceeds of, all of the foregoing.

“Property Assessments” means all taxes, payments in lieu of taxes, water rents, sewer rents, assessments, condominium charges, maintenance charges and other governmental or municipal or public or private dues, charges and levies and any Liens (including federal tax liens) which are or may be levied, imposed or assessed upon the Property or any part thereof, or upon any Leases or any Rents, whether levied directly or indirectly or as excise taxes, as income taxes, or otherwise.

“Real Property” means the Land and the Improvements, and all Additions to, and Proceeds of, each of the foregoing.

“Rents” means all of the rents, royalties, issues, profits, revenues, earnings, income and other benefits of the Property, or arising from the use or enjoyment of the Property, or from any Lease or other use or occupancy agreement pertaining to the Property.

“State” means the Commonwealth of Virginia.

"Transfer" means any direct or indirect sale, assignment, conveyance or transfer, including, without limitation, any contract or agreement to sell, assign, convey or transfer, whether made with or without consideration.

"Trustees" means the Individual Trustees or their successors in trust who may be acting under and pursuant to this Deed of Trust from time to time.

Section 1.2 Rules of Construction The words "hereof", "herein", "hereunder", "hereto", and other words of similar import refer to this Deed of Trust in its entirety. The terms "agree" and "agreements" mean and include "covenant" and "covenants". The headings of this Deed of Trust are for convenience only and shall not define or limit the provisions hereof. All references (a) made in the neuter, masculine or feminine gender shall be deemed to have been made in all such genders, (b) made in the singular or plural number shall be deemed to have been made, respectively, in the plural or singular number as well, (c) to the Land, Improvements, Personalty, Real Property or Property shall mean all or any portion of each of the foregoing, respectively, and (d) to Section numbers are to the respective Sections contained in this Deed of Trust unless expressly indicated otherwise. If the Grantor is two (2) or more Persons, the term "Grantor" shall also refer to all of the Persons signing this Deed of Trust as a Grantor, and to each of them, and all of them are jointly and severally bound, obligated and liable hereunder. The Trustees or the Beneficiary may release, compromise, modify or settle with any of the Grantor, in whole or in part, without impairing, lessening or affecting the obligations and liabilities of the others of the Grantor hereunder or under the Debenture. Any of the acts mentioned aforesaid may be done without the approval or consent of, or notice to, any of the Grantor.

ARTICLE II

Granting Clauses; Condition of Grant.

In order to secure the prompt payment and performance of the Obligations, the Grantor (a) grants, bargains, sells and conveys the Real Property unto the Trustees in trust for the benefit of the Beneficiary, to have and to hold the Real Property unto the Trustees in fee simple forever; provided that, the Grantor may retain possession of the Real Property until the occurrence of an Event of Default; and (b) grants the Beneficiary a lien on, and security interest in, the Personalty; and (c) unconditionally and absolutely assigns the Leases and Rents to the Beneficiary (but subject to the license for collection of Rents described in Section 4.14 (b)); and (d) assigns to, and grants the Beneficiary a security interest in, any Contracts of Sale; and (e) assigns to the Beneficiary all Condemnation Awards and any insurance proceeds payable with respect to any Casualty. If and when the Grantor has paid and performed all of the Obligations, the Trustees, upon request by the Beneficiary, will provide a release of this Deed of Trust to the Grantor. The Grantor shall be responsible for the recordation of such release and payment of any recording costs.

This Deed of Trust shall also constitute a "fixture filing" within the meaning of Article 9 of the Virginia Uniform Commercial Code with respect to those portions of the Personalty that are or may become fixtures. The Grantor is the "debtor" (whose address is shown in the

introductory paragraph to this Deed of Trust), the Beneficiary is the "secured party" and the address of the Beneficiary set forth in the header to this Deed of Trust is the address from which information concerning the security interest granted hereby may be obtained.

ARTICLE III Representations and Warranties.

The Grantor makes the following representations and warranties to the Beneficiary:

Section 3.1 Representations and Warranties in Loan Agreement and other Loan Documents. Each of the representations and warranties of the Grantor set forth in Article III of the Loan Agreement and in any of the other Loan Documents are by this reference incorporated herein.

Section 3.2 Legal Actions. There are no (a) Claims pending or, to the best of the Grantor's knowledge and belief, threatened, against or affecting the Grantor, the Grantor's business or the Property, or (b) investigations at law or in equity, before or by any court or Governmental Authority, pending or, to the best of the Grantor's knowledge and belief, threatened, against or affecting the Grantor, the Grantor's business or the Property. The Grantor is not in default with respect to any order, writ, injunction, decree or demand of any court or any Governmental Authority affecting the Grantor or the Property.

Section 3.3 Warranty of Title. The Grantor is (a) the owner of the fee simple legal title to the Real Property, (b) except for the Permitted Encumbrances, the owner of all of the beneficial and/or equitable interest in and to the Real Property, and (c) lawfully seized and possessed of the Real Property. The Grantor has the right and authority to convey the Real Property and does hereby convey the Real Property with general warranty and English covenants of title. The Real Property is subject to no Encumbrances other than the Permitted Encumbrances.

Section 3.4 Property Assessments. The Real Property is assessed for purposes of Property Assessments as a separate and distinct parcel from any other property, such that the Real Property shall never become subject to the Lien of any Property Assessments levied or assessed against any property other than the Real Property.

Section 3.5 Independence of the Real Property. No building or other improvements on property not covered by this Deed of Trust rely on the Real Property or any interest therein to fulfill any requirement of any Governmental Authority for the existence of such property, building or improvements; and none of the Real Property relies, or will rely, on any property not covered by this Deed of Trust or any interest therein to fulfill any requirement of any Governmental Authority. The Real Property has been properly subdivided from all other property in accordance with the requirements of any applicable Governmental Authorities.

Section 3.6 Existing Improvements. The existing Improvements, if any, were constructed, and are being maintained, in accordance with all applicable Laws, including, without limitation, zoning Laws.

Section 3.7 Personalty. The Grantor has good title to the Equipment, and the Personalty is not subject to any Encumbrance other than the Permitted Encumbrances.

Section 3.8 Leases, Rents, Contracts of Sale. The Leases, Rents and Contracts of Sale are not subject to any Encumbrance other than the Permitted Encumbrances.

Section 3.9 Presence of Hazardous Materials or Contamination; Compliance With Environmental Requirements. To the best of the Grantor's knowledge and belief, (a) no Hazardous Materials are currently located on the Property, nor is the Property affected by any Hazardous Materials Contamination, (b) the Property has never been used as a manufacturing, storage, treatment, processing, recycling or disposal site for Hazardous Materials, and (c) no property in the vicinity of the Real Property has ever been used as a manufacturing, storage, treatment, processing, recycling or disposal site for Hazardous Materials, nor is any such property affected by Hazardous Materials Contamination. The present condition and uses of, and activities on, the Property do not violate any Environmental Requirement and the uses of the Property which the Grantor and each tenant and subtenant, if any, intend in the future to make of the Property comply and will comply with all applicable Environmental Requirements. Neither the Grantor, nor to the Grantor's knowledge, any tenant or subtenant, has obtained or is required to obtain any permit or other authorization to construct, occupy, operate, use or conduct any activity on, the Property by reason of any Environmental Requirement. The Grantor has received no notice, and is not aware, of any Claim involving a violation of any Environment Requirement with respect to the Property or any parcel in the vicinity of the Real Property or any operation conducted on the Property or on any parcel in the vicinity of the Real Property. There is no Environmental Requirement which requires any work, repair, construction, capital expenditure, or other remedial work of any nature whatsoever to be undertaken with respect to the Property.

ARTICLE IV Affirmative Covenants.

Section 4.1 Obligations. The Grantor agrees to promptly pay and/or perform all of the Obligations, time being of the essence in each case.

Section 4.2 Insurance. The Grantor shall maintain the following insurance at its sole cost and expense:

(a) Insurance against Casualty to the Property under a policy or policies covering such risks as are ordinarily insured against by similar businesses, but in any event including fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, damage from aircraft, smoke, vandalism and malicious mischief. Unless otherwise agreed in writing by the Beneficiary, such insurance shall be for the greater of (i) the full insurable value of the Property, or (ii) the full principal amount of the Loan. The deductible amount under such policy or policies shall not exceed \$5,000. No policy of insurance shall be written such that the proceeds thereof will produce less than the minimum coverage required by this Section by reason of co-insurance provisions or otherwise. The term "full insurable value" means the actual replacement cost of the Property (excluding foundation and excavation costs and costs of

underground flues, pipes, drains and other uninsurable items). The "full insurable value" shall be determined from time to time at the request of the Beneficiary (but not more frequently than once every three (3) years) by an appraiser or appraisal company or one of the insurers, who shall be selected and paid for by the Grantor but subject to the Beneficiary's approval.

(b) Comprehensive general public liability insurance for injuries to Persons and damage to property, in limits of not less than \$1,000,000 for any one occurrence and \$3,000,000 for the aggregate of all occurrences during any given annual policy period. Such insurance shall name the Beneficiary as an additional insured.

(c) Worker's compensation insurance for all employees of the Grantor in such amount as is required by Law.

(d) The Grantor will obtain and keep in force such other and further insurance as may be required from time to time by the Beneficiary in order to comply with regular requirements and practices of the Beneficiary in similar transactions. Each policy of insurance shall (i) be issued by one or more recognized, financially sound and responsible insurance companies approved by the Beneficiary and which are qualified or authorized by the Laws of the State to assume the risks covered by such policy, (ii) with respect to the insurance described under the preceding subsection (a) have attached thereto standard non-contributing, non-reporting mortgagee clauses in favor of and entitling the Beneficiary without contribution to collect any and all proceeds payable under such insurance, and (iii) provide that such policy shall not be cancelled or modified without at least thirty (30) days prior written notice to the Beneficiary. The Grantor shall promptly pay all premiums when due on such insurance and, not less than thirty (30) days prior to the expiration dates of each such policy, the Grantor will deliver to the Beneficiary a renewal policy or policies marked "premium paid" or accompanied by other evidence of payment satisfactory to the Beneficiary. The Grantor will immediately give the Beneficiary Notice of any cancellation of, or change in, any insurance policy. The Beneficiary shall not, because of accepting, rejecting, approving or obtaining insurance, incur any liability for (i) the existence, nonexistence, form or legal sufficiency thereof, (ii) the solvency of any insurer, or (iii) the payment of losses.

Section 4.3 Adjustment of Condemnation and Insurance Claims. The Grantor shall give prompt Notice to the Beneficiary of any Casualty or any Condemnation or threatened Condemnation. The Beneficiary is authorized, at its sole option, to commence, appear in and prosecute, in its own or the Grantor's name, any action or proceeding relating to any Condemnation or Casualty, and to settle or compromise any Claim in connection therewith. In such case, the Beneficiary may also deduct from any payment all of its Expenses. The Beneficiary agrees, however, that, so long as no Event of Default has occurred, it will not settle or compromise any such Claim without the prior written consent of the Grantor, which consent shall not be unreasonably withheld or delayed. If the Beneficiary elects not to adjust a Claim, the Grantor agrees to promptly pursue the settlement and compromise of the Claim subject to the Beneficiary's approval which will not be unreasonably withheld or delayed. If, prior to the receipt by the Beneficiary of any Condemnation Award or insurance proceeds, the Property shall have been sold pursuant to the provisions of Section 7.2, the Beneficiary shall have the right to receive such funds to the extent of (a) any deficiency found to be due upon such sale with interest

thereon (whether or not a deficiency judgment on this Deed of Trust shall have been sought or recovered or denied), and (b) necessary to reimburse the Beneficiary for its Expenses. The Grantor agrees to execute and deliver from time to time, upon the request of the Beneficiary, such further instruments or documents as may be requested by the Beneficiary to confirm the grant and assignment to the Beneficiary of any Condemnation Awards or insurance proceeds.

Section 4.4 Application of Net Proceeds. Net Proceeds must be applied to the payment of the Obligations.

Section 4.5 Property Assessments.

(a) The Grantor will (i) promptly pay in full and discharge all Property Assessments, and (ii) exhibit to the Beneficiary, upon demand, the receipted bills for such Property Assessments prior to the day upon which the same shall become delinquent. Property Assessments shall be considered delinquent as of the first day any interest or penalties commence to accrue thereon.

(b) In the event of the passage of any Law subsequent to the date of this Deed of Trust in any manner changing or modifying the Laws now in force governing the taxation of deeds of trust or debts secured by deeds of trust or the manner of collecting any such taxes so as to adversely affect the Beneficiary (including, without limitation, a requirement that internal revenue stamps be affixed to this Deed of Trust or any of the other Loan Documents), the Grantor will promptly pay any such tax. If the Grantor fails to make such prompt payment, or if any Law prohibits the Grantor from making such payment or would penalize the Beneficiary if the Grantor makes such payment, then the entire unpaid balance of the Obligations shall, without Notice, immediately become due and payable at the sole option of the Beneficiary. In no event, however, shall any income taxes of the Beneficiary or franchise taxes of the Beneficiary measured by income, or taxes in lieu of such income taxes or franchise taxes, be required to be paid by the Grantor.

Section 4.6 Compliance with Laws. The Grantor will comply with and not violate, and cause to be complied with and not violated, all present and future Laws applicable to the Property and its use and operation.

Section 4.7 Maintenance and Repair of the Property. The Grantor, at the Grantor's sole expense, will (a) keep and maintain the Improvements and the Equipment in good condition, working order and repair, and (b) make all necessary or appropriate repairs and Additions to the Improvements and Equipment, so that each part of the Improvements and all of the Equipment shall at all times be in good condition and fit and proper for the respective purposes for which they were originally intended, erected, or installed.

Section 4.8 Additions to Security. All right, title and interest of the Grantor in and to all Improvements and Additions hereafter constructed or placed on the Property and in and to any Equipment hereafter acquired shall, without any further deed of trust, conveyance, assignment or other act by the Grantor, become subject to the Lien of this Deed of Trust as fully and completely, and with the same effect, as though now owned by the Grantor and specifically

described in the granting clauses hereof. The Grantor agrees, however, to execute and deliver to the Trustees and/or the Beneficiary such further documents as may be required pursuant to Section 9.2.

Section 4.9 Inspection. The Grantor will permit the Beneficiary, or any Person authorized by the Beneficiary, to enter and make inspections of the Property at all reasonable times and as often as may be requested by the Beneficiary.

Section 4.10 Management. The Grantor at all times shall provide for the competent and responsible management and operation of the Property. Any management contract or contracts affecting the Property must be approved in writing by the Beneficiary prior to the execution of the same.

Section 4.11 Books and Records. The Grantor will keep and maintain full and accurate records and books administered in accordance with generally accepted accounting principles, consistently applied, showing in detail the earnings and expenses of the Property and the operation thereof. The Grantor shall permit the Beneficiary, or any Person authorized by the Beneficiary, to inspect and examine such records and books (regardless of where maintained) and all supporting vouchers and data and to make copies and extracts therefrom at all reasonable times and as often as may be requested by the Beneficiary.

Section 4.12 Estoppel Certificates. Within ten (10) days after any request by the Beneficiary or a proposed assignee or purchaser of the Loan, the Grantor shall certify in writing to the Beneficiary, or to such proposed assignee or purchaser, the then unpaid balance of the Loan and whether the Grantor has any right of defense or setoff to the payment or performance of any of the Obligations.

Section 4.13 Subrogation. To the extent permitted by Law, the Beneficiary shall be subrogated, notwithstanding its release of record, to any Lien now or hereafter existing on the Property to the extent that such Lien is paid or discharged by the Beneficiary whether or not from the proceeds of the Loan. This Section shall not be deemed or construed, however, to obligate the Beneficiary to pay or discharge any Lien.

Section 4.14 Leases.

(a) The Beneficiary shall have the right to approve any Lease executed after the date of this Deed of Trust as to form, content and financial strength of the tenant. All such Leases shall, at the Beneficiary's option, include subordination provisions acceptable to the Beneficiary in its sole and absolute discretion. At any time, within thirty (30) days after Notice from the Beneficiary, the Grantor will deliver to the Beneficiary a written description in such reasonable detail as the Beneficiary may request of all of the Leases, including, without limitation, the names of all tenants, the terms of all Leases and the Rents payable under all Leases, and, on demand, the Grantor will furnish to the Beneficiary fully executed copies of any Leases and such subordination and attornment agreements as the Beneficiary may request. If any Lease provides for the giving by the tenant of certificates with respect to the status of such Lease, the Grantor shall exercise its right to require such certificate within ten (10) days after any request by the

Beneficiary. Within thirty (30) days after any request by the Beneficiary, the Grantor will notify all tenants under existing Leases, and agrees to thereafter notify all tenants under future Leases, that (i) the Grantor collects and receives all Rents pursuant to the license granted to it hereunder, and (ii) upon Notice from the Beneficiary that such license has been revoked, the tenant shall pay all unpaid Rent directly to the Beneficiary.

(b) So long as no Event of Default has occurred, the Grantor shall have a license (which license shall terminate automatically and without Notice upon the occurrence of an Event of Default) to collect upon, but not prior to accrual, the Rents under the Leases and, where applicable, subleases, such Rents to be held in trust for the Beneficiary. Each month, provided no Event of Default has occurred, the Grantor may retain such Rents as were collected that month and held in trust for the Beneficiary. Upon revocation of such license and following notification to the tenants under the Leases by the Beneficiary or the Trustees that Rents are to be paid to the Beneficiary, all Rents shall be paid directly to the Beneficiary and not through the Grantor. A demand by the Beneficiary on any tenant for the payment of Rent shall be sufficient to warrant such tenant to make future payments of Rent to the Beneficiary without the necessity of further consent by the Grantor.

(c) The Grantor, at its sole cost and expense, will use its best efforts to enforce or secure, or cause to be enforced or secured, the performance of each and every obligation and undertaking of the respective tenants under any Leases and will appear in and defend, at its sole cost and expense, any action or proceeding arising under, or in any manner connected with, such Leases.

(d) The Grantor will not assign the whole or any part of the Leases or Rents without the prior written consent of the Beneficiary, and any assignment without such consent shall be null and void.

(e) The Grantor will promptly perform all of its obligations under any Leases. The Grantor will not, without the prior written consent of the Beneficiary, (i) cancel, terminate, accept a surrender of, reduce the payment of rent under, or accept any prepayment of rent for more than one (1) month in advance under, any Lease, or (ii) permit a Lien on the Property superior to any Lease, other than this Deed of Trust.

(f) If any Leases are subordinate (either by their date, their express terms, or by subsequent agreement of the tenant) to this Deed of Trust, such Leases shall be subject to the condition (and this Deed of Trust so authorizes) that, in the event of any sale of the Property pursuant to the provisions of Section 7.2, the Leases shall, at the sole option of the Beneficiary or any purchaser at such sale, either (i) continue in full force and effect as set forth in the required advertisement of sale, and the tenant or tenants thereunder will, upon request, attorn to and acknowledge in writing the purchaser or purchasers at such sale or sales as landlord thereunder, or (ii) upon notice to such effect from the Beneficiary, the Trustees or any purchaser or purchasers, terminate within ninety (90) days from the date of sale. As to any Lease, neither the Beneficiary nor any purchaser or purchasers at foreclosure shall be bound by any payment of rent for more than one (1) month in advance or by any amendment or modification of the Lease made

without the prior written consent of the Beneficiary or, subsequent to a foreclosure sale, such purchaser or purchasers.

(g) Neither the Trustees nor the Beneficiary shall be obligated to perform or discharge any obligation of the Grantor under any Lease. This assignment of the Leases in no manner places on the Beneficiary or the Trustees any responsibility for (i) the control, care, management or repair of the Property, (ii) the carrying out of any of the terms and conditions of the Leases, (iii) any waste committed on the Property, or (iv) any dangerous or defective condition on the Property (whether known or unknown). The Grantor agrees to indemnify the Trustees and the Beneficiary for, and forever hold them harmless from, any and all Claims arising out of, or in connection with, any Leases or any assignment thereof.

Section 4.15 Contracts of Sale. Each Contract of Sale covering the Real Property or any portion thereof shall be in form and for a price reasonably approved by the Beneficiary. The Grantor irrevocably authorizes the Beneficiary, at its sole option, to collect, in the name of the Grantor or in its own name as assignee, all payments due or to become due under any Contract of Sale. The Grantor agrees that it will facilitate in every reasonable way the collection by the Beneficiary of such payments, and will, upon written request by the Beneficiary, execute a written notice and deliver the same to each purchaser directing the purchaser to make such payments to the Beneficiary. In no event shall the Beneficiary be accountable for more moneys than it actually receives pursuant to a Contract of Sale, nor shall the Beneficiary be liable for any failure to collect payments under any Contract of Sale. The right to determine the method of collection and the extent to which the enforcement of collection shall be prosecuted is reserved to the sole discretion of the Beneficiary. The Grantor, without the prior written consent of the Beneficiary, will not execute any assignment of any Contract of Sale or the payments due thereunder. The Grantor shall furnish to the Beneficiary, within ten (10) days after a written request from the Beneficiary, a written certification containing the names of all contract purchasers of the Real Property and shall attach to such certification a copy of any Contract of Sale. Nothing contained in this Section shall (a) be construed as a consent by the Beneficiary to any Transfer of the Real Property, or (b) constitute a delegation to the Beneficiary of any of the Grantor's duties or obligations under any Contract of Sale. The Grantor agrees to indemnify the Beneficiary and the Trustees for, and forever hold them harmless from, any Claim arising out of, or in connection with, any Contract of Sale.

Section 4.16 Hazardous Materials; Contamination. The Grantor agrees to (i) give Notice to the Beneficiary immediately upon the Grantor's acquiring knowledge of the presence of any Hazardous Materials on the Real Property or of any Hazardous Materials Contamination or of any Claim made or threatened against the Grantor or the Real Property with respect to any Environmental Requirement with a full description thereof; (ii) at the Grantor's sole cost and expense, promptly comply with any and all Environmental Requirements relating to the Real Property or such Hazardous Materials or Hazardous Materials Contamination and provide the Beneficiary with satisfactory evidence of such compliance; (iii) provide the Beneficiary, within thirty (30) days after a demand by the Beneficiary, with a bond, letter of credit or similar financial assurance evidencing to the Beneficiary's satisfaction that the necessary funds are available to pay the cost of complying with such Environmental Requirements and removing, treating and disposing of such Hazardous Materials or Hazardous Materials Contamination and

discharging any Lien which may be established on the Real Property as a result thereof; and (iv) take whatever other action as the Beneficiary may deem necessary or appropriate to restore to the Grantor the full use and benefit of the Real Property as contemplated by the Loan Documents.

(a) In the event the Beneficiary ever has any reason to reasonably believe that any Hazardous Materials are or may be located on, or may otherwise affect, the Real Property, or if any Claim is made or threatened against the Grantor or the Real Property with respect to any Environmental Requirement, or if a Default or Event of Default shall have occurred hereunder or under any of the other Loan Documents, the Grantor shall immediately upon the receipt of Notice from the Beneficiary, which may be given at any time and from time to time by the Beneficiary in its sole discretion (but not more frequently than once during any twelve (12) month period), cause an Environmental Assessment to be undertaken with respect to the Real Property and furnish the same to the Beneficiary within thirty (30) days after the date of the Beneficiary's request. The cost of any such Environmental Assessment shall be borne exclusively by the Grantor. The Grantor shall cooperate with each environmental consulting firm engaged to make any such Environmental Assessment and shall supply to each such environmental consulting firm, from time to time and promptly on request, all information available to the Grantor to facilitate the completion of the Environmental Assessment. Notwithstanding the foregoing, the Beneficiary shall be under no duty to require the preparation of any Environmental Assessment of the Real Property, and in no event shall any such Environmental Assessment by the Beneficiary be or give rise to any representation or warranty by the Beneficiary that Hazardous Materials are or are not present on the Real Property, or that there has been compliance by the Grantor or any other Person with any Environmental Requirement.

(b) The Grantor shall protect, indemnify, defend and hold the Beneficiary, the Trustees, any Persons owned or controlled by, owning or controlling, or under the common control of or affiliated with, the Beneficiary and/or the Trustees, any participants in the Loan, the directors, officers, employees and agents of the Beneficiary, and/or such other Persons, and the heirs, personal representatives, successors and assigns of each of the foregoing, harmless from and against any and all Claims of any kind or nature whatsoever arising out of or in any way connected with any investigative, enforcement, cleanup, removal, containment, remedial or other private, governmental or regulatory action at any time threatened, instituted or completed pursuant to any applicable Environmental Requirement against the Grantor or the Beneficiary or against or with respect to the Real Property or any condition, use or activity on the Real Property or at any time threatened or made by any Person against the Grantor or the Beneficiary or against or with respect to the Real Property or any condition, use or activity on the Real Property relating to any damage, contribution, cost recovery, compensation, loss or injury resulting from or in any way arising in connection with any Hazardous Materials or Hazardous Materials Contamination. Upon demand by the Beneficiary, the Grantor shall diligently defend any such Claim which affects the Real Property or is made or commenced against the Beneficiary, whether alone or together with the Grantor or any other Person, all at the Grantor's sole cost and expense and by counsel to be approved by the Beneficiary in the exercise of its reasonable judgment. In the alternative, the Beneficiary may at any time elect to conduct its own defense through counsel selected by the Beneficiary and at the cost and expense of the Grantor.

Section 4.17 Right to Perform. If the Grantor fails to promptly pay or perform any of the Obligations, the Beneficiary, without Notice to or demand upon the Grantor, and without waiving or releasing any Obligation or Default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of the Grantor. The Beneficiary may enter upon the Property for that purpose and take all action thereon as the Beneficiary considers necessary or appropriate. All Expenses incurred by the Beneficiary pursuant to this Section, together with interest thereon at the interest rate set forth in the Debenture, shall be paid by the Grantor to the Beneficiary as provided in Section 4.18.

Section 4.18 Reimbursement; Interest. If the Beneficiary or the Trustees shall incur any Expenses or pay any Claims to which the Beneficiary or the Trustees become a party by reason of this Deed of Trust or the rights and remedies provided hereunder (regardless of whether this Deed of Trust expressly provides for an indemnification against such Claims by the Grantor), except by reason of the gross negligence or willful misconduct of the Beneficiary or the Trustees, such Expenses and Claims shall be (a) paid by the Grantor to the Beneficiary on demand, together with interest thereon from the date incurred until paid in full by the Grantor at the interest rate set forth in the Debenture, and (b) a part of the Obligations secured by this Deed of Trust. Notwithstanding the foregoing, however, in any action or proceeding to foreclose this Deed of Trust or to recover or collect the Obligations, the provisions of Law governing the recovery of costs, disbursements and allowances shall prevail unaffected by this Section.

Section 4.19 Permitted Contests. The Grantor shall not be required to pay any Assessment, or to comply with any Law, so long as the Grantor shall in good faith, and at its cost and expense, contest the amount or validity thereof, or take other appropriate action with respect thereto, in good faith and in an appropriate manner or by appropriate proceedings; provided that (a) such proceedings operate to prevent the collection of, or other realization upon, the Assessment or enforcement of the Law so contested, (b) there will be no sale, forfeiture or loss of the Property during the contest, (c) neither the Beneficiary nor the Trustees are subjected to any Claim, and (d) the Grantor provides assurances satisfactory to the Beneficiary (including, without limitation, the establishment of an appropriate reserve account with the Beneficiary) of its ability to pay such Assessment or comply with such Law in the event the Grantor is unsuccessful in its contest. Each such contest shall be promptly prosecuted to final conclusion or settlement, and the Grantor shall indemnify and save the Beneficiary and Trustees harmless against all Claims in connection therewith. Promptly after the settlement or conclusion of such contest or action, the Grantor shall comply with such Law and/or pay and discharge the amounts which shall be levied, assessed or imposed or determined to be payable, together with all penalties, fines, interests, costs and expenses in connection therewith.

Section 4.20 Security Agreement. This Deed of Trust creates a security interest in the Personalty, and, to the extent the Personalty is not real property, this Deed of Trust constitutes a security interest from the Grantor to the Beneficiary under the Virginia Uniform Commercial Code. The Grantor hereby agrees to execute and deliver on demand, and hereby irrevocably constitutes and appoints the Beneficiary the attorney-in-fact of the Grantor, to execute, deliver and, if appropriate, to file with the appropriate filing office or offices, such financing statements or other instruments as the Beneficiary may request or require in order to perfect the security interest granted hereby or to continue the effectiveness of the same.

ARTICLE V
Negative Covenants.

Section 5.1 Encumbrances. Without the prior written consent of the Beneficiary, the Grantor will not permit the Real Property or the Personalty, or the Leases, Rents and Contracts of Sale, to become subject to any Encumbrances other than the Permitted Encumbrances. The Grantor shall give the Beneficiary Notice of any default under any Lien and Notice of any foreclosure or threat of foreclosure.

Section 5.2 Transfer of the Real Property. The Grantor will not Transfer, or contract to Transfer, all or any part of the Real Property or any legal or beneficial interest therein.

Section 5.3 Removal, etc. of Equipment and Improvements. Except to the extent permitted by the following sentence, none of the Improvements or Equipment shall be removed, demolished or materially altered, without the prior written consent of the Beneficiary. The Grantor may remove and dispose of, free from the Lien of this Deed of Trust, such Equipment as from time to time becomes worn out or obsolete, provided that, either (a) at the time of, or prior to, such removal, any such Equipment is replaced with other Equipment which is free from Liens other than Permitted Encumbrances and has a value at least equal to that of the replaced Equipment (and by such removal and replacement the Grantor shall be deemed to have subjected such Equipment to the Lien of this Deed of Trust), or (b) so long as a prepayment may be made without penalty pursuant to the Debenture, such Equipment is sold at fair market value for cash and the net cash proceeds received from such disposition are paid over promptly to the Beneficiary to be applied to the prepayment of the principal of the Loan.

Section 5.4 Additional Improvements. The Grantor will not construct any Improvements other than those presently on the Land without the prior written consent of the Beneficiary. The Grantor will complete and pay for, within a reasonable time, any Improvements which the Grantor is permitted to construct on the Land. The Grantor will construct and erect any permitted Improvements (a) strictly in accordance with all applicable Laws and any private restrictive covenants, (b) entirely on lots or parcels of the Land, (c) so as not to encroach upon any easement or right of way or upon the land of others, and (d) wholly within any building restriction lines applicable to the Land.

Section 5.5 Restrictive Covenants, Zoning, etc. Without the prior written consent of the Beneficiary, the Grantor will not initiate, join in, or consent to any change in, any restrictive covenant, easement, zoning ordinance, or other public or private restrictions, limiting or defining the uses which may be made of the Property. The Grantor will (a) promptly perform and observe, and cause to be performed and observed, all of the terms and conditions of all agreements affecting the Property, and (b) do or cause to be done all things necessary to preserve intact and unimpaired any and all easements, appurtenances and other interests and rights in favor of, or constituting any portion of, the Property.

Section 5.6 Prohibition on Hazardous Materials. The Grantor will not cause, commit, permit or allow to continue any violation of any Environmental Requirement by any Person on or with respect to the Property. The Grantor will not place, install, store, spill, leak, dispose of or

release, or cause, commit, permit, or allow the placement, installation, storage, spilling, leaking, disposal or release of, any Hazardous Materials on the Property, except for the storage or use of de minimus amounts of Hazardous Materials in the ordinary course of Grantor's business, and will keep the Property free of all Hazardous Materials Contamination.

ARTICLE VI

Events of Default.

The occurrence of any one or more of the following shall constitute an "Event of Default" under this Deed of Trust:

Section 6.1 Accuracy of Information; Representations and Warranties. Any material information contained in any financial statement, schedule, report or any other document delivered by the Grantor or any other party or parties to the Beneficiary in connection with the Loan proves at any time to be not in all respects true and accurate, or the Grantor or any such other party or parties shall have failed to state any material fact or any fact necessary to make such information not misleading, or any representation or warranty contained in this Deed of Trust, or in any other document, certificate or opinion delivered to the Beneficiary in connection with the Loan, proves at any time to be incorrect or misleading in any material respect and such inaccuracy has a material adverse effect on Grantor's ability to repay the Loan.

Section 6.2 Payment Obligations. The Grantor fails to promptly pay any of the Obligations when and as due and payable, subject to any cure period provided therefor by the applicable Loan Document.

Section 6.3 Transfer of the Property; Encumbrances. The Grantor fails to comply with Sections 5.1 and 5.2.

Section 6.4 Hazardous Materials. The Grantor fails to promptly perform or comply with any of the terms and conditions set forth in Sections 4.16 and 5.6.

Section 6.5 Other Obligations. The Grantor fails to promptly perform or comply with any of the Obligations (other than those expressly described in other Sections of this Article VI), and such failure continues uncured for a period of thirty (30) days after Notice from the Beneficiary to the Grantor, unless the nature of the failure is such that (a) it cannot be cured within the thirty (30) day period, (b) the Grantor institutes corrective action within the thirty (30) day period, and (c) the Grantor completes the cure within a period of an additional thirty (30) days.

Section 6.6 Event of Default Under Other Loan Documents. An Event of Default (as defined therein) occurs under any of the Loan Documents other than this Deed of Trust.

Section 6.7 Change in Zoning or Public Restriction. Any change in any zoning ordinance or regulation or any other public restriction is enacted, adopted or implemented, that limits or defines the uses which may be made of the Property such that the present or intended

use of the Property, as specified in the Loan Documents, would be in violation of such zoning ordinance or regulation or public restriction, as changed.

Section 6.8 Default Under Other Lien Documents. A default occurs under any other mortgage, deed of trust or security agreement covering all or any portion of the Property, including, without limitation, any Permitted Encumbrances.

Section 6.9 Voluntary Bankruptcy , etc. The Grantor (a) applies for, or consents in writing to, the appointment of a receiver, trustee or liquidator of the Grantor or of the Property or of all or substantially all of the Grantor's other assets, or (b) files a voluntary petition in bankruptcy or admits in writing its inability to pay its debts as they become due, or (c) makes a general assignment for the benefit of creditors, or (d) files a petition or an answer seeking a reorganization (other than a reorganization not involving the liabilities of the Grantor) or an arrangement with creditors or takes advantage of any bankruptcy or insolvency law, or (e) files an answer admitting the material allegations of a petition filed against the Grantor in any bankruptcy, reorganization or insolvency proceeding.

Section 6.10 Involuntary Bankruptcy, etc. An order, judgment or decree is entered by any court of competent jurisdiction on the application of a creditor adjudicating the Grantor as bankrupt or insolvent, or appointing a receiver, trustee or liquidator of the Grantor or of the Property, or of all or substantially all of the Grantor's other assets, and such order, judgment or decree continues unstayed and in effect for a period of sixty (60) days from the date entered.

Section 6.11 Execution; Attachment. Any execution or attachment is levied against the Property, and such execution or attachment is not set aside, discharged or stayed within thirty (30) days after the same is levied.

Section 6.12 Judgment. Unless adequately covered by insurance in the opinion of the Beneficiary, the entry of a final judgment for the payment of money involving more than \$50,000 against the Grantor and the failure by the Grantor to discharge the same, or cause it to be discharged, or bonded off to the Beneficiary's satisfaction, within thirty (30) days from the date of the order, decree or process under which or pursuant to which such judgment was entered.

Section 6.13 Change in Business Status. Unless the written consent of the Beneficiary is previously obtained, the sale of all or substantially all of the business assets of the Grantor, or the commencement of any proceeding to dissolve or liquidate the Grantor, or the occurrence of any change in the form of business entity through which the Grantor presently conducts its business, or, if the Grantor is a corporation, the occurrence of any merger or consolidation involving the Grantor.

Section 6.14 Default Under Other Indebtedness. The Grantor fails to pay any indebtedness of the Grantor (other than the Loan) when and as due and payable (whether by acceleration or otherwise).

ARTICLE VII
Rights and Remedies.

Upon the occurrence of any Event of Default, the Beneficiary, or the Trustees at the direction of the Beneficiary, may at any time thereafter exercise any of the following rights, powers or remedies:

Section 7.1 Acceleration. The Beneficiary may declare (without Notice to the Grantor and without presentment, demand, protest or notice of protest or of dishonor, all of which the Grantor hereby waives) the Obligations to be immediately due and payable.

Section 7.2 Foreclosure. The Trustees, if and as directed by the Beneficiary, shall have all of the rights and may exercise all of the powers set forth in Sections 55-59 to 55-59.4, inclusive, of the Code of Virginia of 1950, as amended, as in effect on the date of execution of this Deed of Trust, except that any advertisement required in connection with the sale of the Property, shall be once a week for three (3) successive weeks. In case of any sale under this Deed of Trust, the Property may be sold as an entirety or in parcels, by one sale or by several sales, as may be deemed by the Trustees to be appropriate and without regard to any right of the Grantor or any other Person to the marshalling of assets. The Trustees shall receive and apply the proceeds from the sale of the Property, or any portion thereof, in accordance with Section 55-59.4.A.3 of the Code of Virginia of 1950, as amended, or any successor provision of law. Immediately upon the first insertion of any advertisement or notice of sale, there shall become due and owing by the Grantor all expenses incident to any foreclosure proceedings under this Deed of Trust and a commission on the total amount of the Obligations then due equal to one-half of the percentage allowed as commission to trustees making sales under orders or decrees of the equity court having jurisdiction, and no Person shall be required to receive only the aggregate amount of the Obligations to the date of payment unless the same is accompanied by a tender of such commission.

Section 7.3 Taking Possession or Control of the Property. As a matter of right without regard to the adequacy of the security, and to the extent permitted by law without Notice to the Grantor, the Beneficiary shall be entitled, upon application to a court of competent jurisdiction, to the immediate appointment of a receiver for all or any part of the Property and the Rents, whether such receivership be incidental to a proposed sale of the Property or otherwise, and the Grantor hereby consents to the appointment of such a receiver. In addition, to the extent permitted by Law, and with or without the appointment of a receiver, or an application therefor, the Beneficiary may (a) enter upon, and take possession of (and the Grantor shall surrender actual possession of), the Property or any part thereof, without Notice to the Grantor and without bringing any legal action or proceeding, or, if necessary by force, legal proceedings, ejectment or otherwise, and (b) remove and exclude the Grantor and its agents and employees therefrom.

Section 7.4 Management of the Property. Upon obtaining possession of the Property or upon the appointment of a receiver as described in Section 7.3, the Beneficiary, the Trustees or the receiver, as the case may be, may, at their sole option, (a) make all necessary or proper repairs and Additions to or upon the Property, (b) operate, maintain, control, make secure and preserve the Property, (c) receive all Rents, and (d) complete the construction of any unfinished

Improvements on the Property and, in connection therewith, continue any and all outstanding contracts for the erection and completion of such Improvements and make and enter into any further contracts which may be necessary, either in their or its own name or in the name of the Grantor (the cost of completing the Improvements shall be Expenses secured by this Deed of Trust and accrue interest as set forth in Section 4.18). In so doing, the Beneficiary, the Trustees or such receiver shall have the right to manage the Property and to carry on the business of the Grantor and may exercise all of the rights and powers of the Grantor, either in the name of the Grantor, or otherwise, including, but without limiting the generality of the foregoing, the right to lease the Property, to cancel, modify, renew or extend any Lease or sub-lease of the Property and to carry on any contracts entered into by the Grantor with respect to the Property. The Beneficiary, the Trustees or such receiver shall be under no liability for, or by reason of, any such taking of possession, entry, holding, removal, maintaining, operation or management, except for gross negligence or willful misconduct. Any Rents received shall be applied (a) first, to pay all Expenses, and (b) the balance, if any, to payment of the other Obligations. The Grantor shall pay on demand to the Beneficiary, the receiver or the Trustees (as the case may be) the amount of any deficiency between (a) the Rents received by the Beneficiary, the receiver or the Trustees, and (b) all Expenses incurred together with interest thereon at the interest rate set forth in the Debenture as provided in Section 4.18. The exercise of the remedies provided in this Section shall not cure or waive any Event of Default, and the enforcement of such remedies, once commenced, shall continue for so long as the Beneficiary shall elect, notwithstanding the fact that the exercise of such remedies may have, for a time, cured the original Event of Default.

Section 7.5 Uniform Commercial Code. The Beneficiary may proceed under the Virginia Uniform Commercial Code as to all or any part of the Personalty, and in conjunction therewith may exercise all of the rights, remedies and powers of a secured creditor under the Virginia Uniform Commercial Code. Upon the occurrence of any Event of Default, the Grantor shall assemble all of the Equipment and make the same available within the Improvements. Any notification required by Section 8.9-504 of the Virginia Uniform Commercial Code shall be deemed reasonably and properly given if sent in accordance with the Notice provision of this Deed of Trust at least ten (10) days before any sale or other disposition of the Personalty. Disposition of the Personalty shall be deemed commercially reasonable if made pursuant to a public sale advertised at least twice in a newspaper of general circulation in the community where the Property is located. Proceeds from any such sale shall be applied as follows: (a) first, to pay all Expenses incurred in connection with the sale, and (b) the balance, if any, to payment of the other Obligations.

Section 7.6 Other Remedies. The Beneficiary shall have the right from time to time to enforce any legal or equitable remedy against the Grantor and to sue the Grantor for any sums (whether interest, damages for failure to pay principal or any installments thereof, taxes, or any other sums required to be paid under the terms of this Deed of Trust, as the same become due), without regard to whether or not any other of the Obligations shall be due, and without prejudice to the right of the Beneficiary thereafter to enforce any appropriate remedy against the Grantor, including, without limitation, an action of foreclosure or an action for specific performance, for a Default by the Grantor existing at the time such earlier action was commenced.

Section 7.7 Remedies, etc. Cumulative. Each right, power and remedy of the Beneficiary or the Trustees as provided for in this Deed of Trust, or in any of the other Loan Documents or now or hereafter existing by Law, shall be cumulative and concurrent and shall be in addition to every other right, power or remedy provided for in this Deed of Trust, or in any of the other Loan Documents or now or hereafter existing by Law, and the exercise or beginning of the exercise by the Beneficiary or the Trustees of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Beneficiary or the Trustees of any or all such other rights, powers or remedies.

Section 7.8 No Waiver by Beneficiary etc. No course of dealing or conduct between the Beneficiary, the Trustees and the Grantor shall be effective to amend, modify or change any provisions of this Deed of Trust or the other Loan Documents. No failure or delay by the Beneficiary or the Trustees to insist upon the strict performance of any term, covenant or agreement of this Deed of Trust or of any of the other Loan Documents, or to exercise any right, power or remedy consequent upon a breach thereof, shall constitute a waiver of any such term, covenant or agreement or of any such breach, or preclude the Beneficiary or the Trustees from exercising any such right, power or remedy at any later time or times. By accepting payment after the due date of any of the Obligations, the Beneficiary or the Trustees shall not be deemed to waive the right either to require prompt payment when due of all other Obligations, or to declare an Event of Default for failure to make prompt payment of any such other Obligations. Neither the Grantor nor any other Person now or hereafter obligated for the payment of the whole or any part of the Obligations shall be relieved of such liability by reason of (a) the failure of the Beneficiary to comply with any request of the Grantor or of any other Person to take action to foreclose this Deed of Trust or otherwise enforce any of the provisions of this Deed of Trust, or (b) any agreement or stipulation between any subsequent owner or owners of the Property and the Beneficiary, or (c) the Beneficiary extending the time of payment or modifying the terms of this Deed of Trust or any of the other Loan Documents without first having obtained the consent of the Grantor or such other Person. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate Lien on the Property, the Beneficiary may release any Person at any time liable for any of the Obligations or any part of the security for the Obligations, and may extend the time of payment or otherwise modify the terms of this Deed of Trust or any of the other Loan Documents without in any way impairing or affecting the Lien of this Deed of Trust or the priority of this Deed of Trust over any subordinate Lien. The holder of any subordinate Lien shall have no right to terminate any Lease regardless of whether or not such Lease is subordinate to this Deed of Trust. The Beneficiary may resort to the security or collateral described in this Deed of Trust or any of the other Loan Documents in such order and manner as the Beneficiary may elect in its sole discretion.

Section 7.9 Waivers and Agreements Regarding Remedies. To the full extent the Grantor may do so, the Grantor hereby:

(a) agrees that it will not at any time plead, claim or take advantage of any Laws now or hereafter in force providing for any appraisalment, valuation, stay, extension or redemption, and waives and releases all rights of redemption, valuation, appraisalment, stay of execution, extension and notice of election to accelerate the Obligations;

(b) waives all rights to a marshalling of the assets of the Grantor, including without limitation, the Property, or to a sale in the inverse order of alienation in the event of a foreclosure of the Property, and agrees not to assert any right under any Law pertaining to the marshalling of assets, the sale in inverse order of alienation, the exemption of homestead, the administration of estates of decedents, or other matters whatsoever to defeat, reduce or affect the right of the Beneficiary under the terms of this Deed of Trust to a sale of the Property without any prior or different resort for collection, or the right of the Beneficiary to the payment of the Obligations out of the proceeds of sale of the Property in preference to every other claimant whatsoever; and

(c) waives and relinquishes any and all rights and remedies which the Grantor may have or be able to assert by reason of the provisions of any Laws pertaining to the rights and remedies of sureties.

ARTICLE VIII

The Trustees.

Section 8.1 Liability of the Trustees. The Trustees shall have no liability or responsibility for, and make no warranties in connection with, the validity or enforceability of any of the Loan Documents or the description, value or status of title to the Property. The Trustees shall be protected in acting upon any notice, request, consent, demand, statement, note or other paper or document believed by them to be genuine and to have been signed by the party or parties purporting to sign the same. The Trustees shall not be liable for any error of judgment, nor for any act done or step taken or omitted, nor for any mistakes of law or fact, nor for anything which the Trustees may do or refrain from doing in good faith, nor generally shall the Trustees have any accountability hereunder except for willful misconduct or gross negligence. The powers and duties of the Trustees hereunder may be exercised through such attorneys, agents or servants as they may appoint, and the Trustees shall have no liability or responsibility for any act, failure to act, negligence or willful conduct of such attorney, agent or servant, so long as they were selected with reasonable care. In addition, the Trustees may consult with legal counsel selected by them and the Trustees shall have no liability or responsibility by reason of any act or failure to act in accordance with the opinions of such counsel. The Trustees may act hereunder and may sell or otherwise dispose of the Property or any part thereof as herein provided, although the Trustees have been, may now be or may hereafter be, attorneys, officers, agents or employees of the Beneficiary, in respect of any matter of business whatsoever. The Trustees, however, shall have no obligation to sell all or any part of the Property following an Event of Default or to take any other action authorized to be taken by them hereunder except upon the demand of the Beneficiary.

Section 8.2 Substitution of Trustees, etc. The Beneficiary shall have, and is hereby granted with warranty of further assurances, the irrevocable power to appoint a new or replacement or substitute Trustee or Trustees. Such power may be exercised at any time without notice, without cause and without specifying any reason therefor, by filing for record in the office where this Deed of Trust is recorded a Deed of Appointment. The power of appointment of a successor Trustee or Trustees may be exercised as often as and whenever the Beneficiary may

choose, and the exercise of the power of appointment, no matter how often, shall not be an exhaustion thereof. Upon the recordation of such Deed or Deeds of Appointment, the Trustee or Trustees so appointed shall thereupon, without any further act or deed of conveyance, become fully vested with identically the same title and estate in and to the Property and with all the rights, powers, trusts and duties of their, his or its predecessor in the trust hereunder with like effect as if originally named as Trustees or as one of the Trustees hereunder. Whenever in this Deed of Trust reference is made to the Trustees, it shall be construed to mean the Trustee or Trustees for the time being, whether original or successors or successor in trust. All title, estate, rights, powers, trusts and duties hereunder given or appertaining to or devolving upon the Trustees shall be in each of the Trustees so that any action hereunder or purporting to be hereunder of any one of the original or any successor Trustees shall for all purposes be considered to be, and as effective as, the action of all the Trustees.

ARTICLE IX

Miscellaneous.

Section 9.1 Application of Moneys. Whenever it is provided in this Deed of Trust for any moneys to be applied to payment of the Obligations, and no express order of payment is set forth, such moneys shall be applied to the Obligations in such order and manner as the Beneficiary may determine in its sole discretion.

Section 9.2 Further Assurances. At any time, and from time to time, upon request by the Beneficiary, the Grantor will, at the Grantor's expense, (a) correct any defect, error or omission which may be discovered in the form or content of any of the Loan Documents, and (b) make, execute, deliver and record, or cause to be made, executed, delivered and recorded, any and all further instruments, certificates, and other documents as may, in the reasonable opinion of the Beneficiary, be necessary or desirable in order to complete, perfect or continue and preserve the Lien of this Deed of Trust. Upon any failure by the Grantor to do so, the Beneficiary may make, execute and record any and all such instruments, certificates and documents for and in the name of the Grantor, all at the sole expense of the Grantor, and the Grantor hereby irrevocably appoints the Beneficiary the agent and attorney-in-fact of the Grantor to do so, this appointment being coupled with an interest. With respect to any financing statement, the Grantor agrees that a carbon, photographic or other reproduction of a security agreement or a financing statement is sufficient as a financing statement for purposes of Section 9-402 of the Uniform Commercial Code of the State.

Section 9.3 Notices. All Notices shall be deemed to have been received when delivered by the means set forth in Section 10.9 of the Loan Agreement.

Section 9.4 Successors and Assigns. All of the grants, covenants, terms, provisions and conditions of this Deed of Trust shall run with the Land and shall apply to and bind the successors and assigns of the Grantor (including any permitted subsequent owner of the Property), and inure to the benefit of the Beneficiary, its successors and assigns and to the successors in trust of the Trustees.

Section 9.5 No Warranty by Beneficiary or Trustees. By inspecting the Property or by accepting or approving anything required to be observed, performed or fulfilled by the Grantor or to be given to the Beneficiary or the Trustees pursuant to this Deed of Trust or any of the other Loan Documents, the Beneficiary and the Trustees shall not be deemed to have warranted or represented the condition, sufficiency, legality, effectiveness or legal effect of the same, and such acceptance or approval shall not constitute any warranty or representation with respect thereto by the Beneficiary or the Trustees.

Section 9.6 Amendments. This Deed of Trust may not be modified or amended except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

Section 9.7 Illegality. If fulfillment of any provision of this Deed of Trust or any transaction related hereto shall at any time involve transcending the limit of validity prescribed by Law, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity; and if any clause or provision herein contained, other than the provisions requiring the Grantor to pay the Obligations, operates or would prospectively operate to invalidate this Deed of Trust in whole or in part, then such clause or provision only shall be void, as though not herein contained, and the remainder of this Deed of Trust shall remain operative and in full force and effect; and if such clause or provision requires the Grantor to pay any of the Obligations, then at the sole option of the Beneficiary, all of the Obligations shall become due and payable.

Section 9.8 Governing Law. This Deed of Trust is being executed and delivered in the Commonwealth of Virginia and shall be construed, governed and enforced in accordance with the Laws in effect from time to time in the Commonwealth of Virginia.

Section 9.9 Short Form References. This Deed of Trust shall be construed to incorporate by short form references below the following provisions of Section 55-60 of the Code of Virginia of 1950, as amended:

Exemptions waived.

Subject to all [call] upon default.

Renewal, extension or reinstatement permitted.

Deferred purchase money.

Substitution of Trustee permitted.

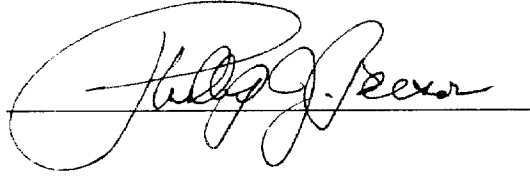
Any Trustee may act.

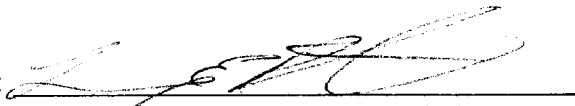
[Signatures appear on following page]

IN WITNESS WHEREOF, the Grantor has caused this Deed of Trust to be executed under seal as of the day and year first written above.

WITNESS OR ATTEST:

NSW, LLC,
a Virginia limited liability company




By: 
Name: Lawrence E. Ptaschek
Title: President / Mgr.

COMMONWEALTH OF VIRGINIA,
City OF Rounde, TO WIT:

I HEREBY CERTIFY, that on this 27th day of September, 2000, before me, the undersigned Notary Public of said Commonwealth, personally appeared Lawrence E. Ptaschek, who acknowledged himself herself to be the President of NSW, LLC, a Virginia limited liability company, known to me (or satisfactorily proven) to be the person whose name is subscribed to the within instrument, and acknowledged that he executed the same for the purposes therein contained as the duly authorized President of said limited liability company by signing the name of the limited liability company by himself as President.

WITNESS my hand and Notarial Seal.


Notary Public

My Commission Expires:

May 31, 2004

#778771v4
23521.001

Schedule A

Property Description

All that certain tract or parcel of land located in the City of Roanoke, Virginia, and known as Lot 3B-1 containing 5.964 acres, as shown on plat of survey entitled 'Survey for NSW, L.L.C., of Lot 3B-1 (5.964 acres), Kimball Redevelopment Project, as shown on "Map of Subdivision made for NSW Corporation"', prepared by Jack G. Bess, Land Surveyor, dated September 14, 2000.

AND BEING the same lots or parcels of real property conveyed to NSW Corporation, a Delaware corporation, from the City of Roanoke Redevelopment and Housing Authority, a political subdivision of the Commonwealth of Virginia, by deed dated December 8, 1981 and recorded in the aforesaid Clerk's Office in Deed Book 1472, page 1274. Title to the above described parcel of real property passed to NSW, LLC, by Certificate of Merger, dated August 8, 2000, and filed with the Secretary of the State Corporation Commission.

INSTRUMENT #000012731
RECORDED IN THE CLERK'S OFFICE OF
ROANOKE CITY ON
SEPTEMBER 28, 2000 AT 11:03AM
ARTHUR B. CRUSH, CLERK

BY: 

(DC)