

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON APPROVING A CONSENT TO COLLATERAL ASSIGNMENT OF AN AIRPORT LAND LEASE AGREEMENT COVERING PROPERTY AT 1945 MATT WRIGHT LANE, BETWEEN SYKES-VAUGHAN INVESTMENTS, LLC AND HUNTINGTON NATIONAL BANK; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, Sykes-Vaughan Investments, LLC (“Sykes-Vaughan”) is the current Lessee of 1945 Matt Wright Lane, property at the Denton Enterprise Airport owned by the City of Denton, a Texas home-rule municipal corporation (the “City”), as originally leased to Hangar 10 Flying Museum on May 20, 1997, and subsequently assigned to Sykes-Vaughan; and

WHEREAS, the Lessee has agreed to collaterally assign its interest in the Lease to Huntington National Bank (“Bank”) as evidenced by that certain Deed of Trust; and

WHEREAS, the Lease requires written consent of the City for the Collateral Assignment to be effective and Sykes-Vaughan Investments, LLC has requested the City for such consent; and

WHEREAS, at the October 8, 2025, meeting of the Airport Advisory Board, the board recommended that the City approve the Consent by a vote of 5-0; and

WHEREAS, the City Council deems it in the public interest to give consent to the collateral assignment contemplated above; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The findings and recitations contained in the preamble of this Ordinance are incorporated herein by reference.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute a Consent to the Collateral Assignment of Lease in the form attached hereto as Exhibit “A” and made a part of this ordinance for all purposes.

SECTION 3. This ordinance shall become effective immediately upon its passage and approval.

The motion to approve this ordinance was made by _____ and seconded by _____, the ordinance was passed and approved by the following vote [___ - ___]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2025.

GERARD HUDSPETH, MAYOR

ATTEST:
LAUREN THODEN, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

BY:

DocuSigned by:

Marcella Lunn

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CONSENT TO COLLATERAL ASSIGNMENT OF LEASE

This Consent to Collateral Assignment of Lease (the “Consent”) is made between the City of Denton, Texas, a Texas home rule municipal corporation (“City” or “Landlord”), Sykes-Vaughan Investments, LLC, a Texas Limited Liability Company (“Assignor”) and Huntington National Bank, a National Banking Association (“Assignee”).

WHEREAS, the City is the sole owner and landlord of a pad site at Denton Enterprise Airport located at 1945 Matt Wright Lane, Denton, Texas 76207 (the “Property”); and

WHEREAS, the Property is subject to a ground lease, described as the Airport Lease Agreement dated May 20, 1997, between the City and Hangar 10 Flying Museum, as subsequently amended and assigned to Sykes-Vaughan Investments, LLC (collectively, the “Lease” and the property rights granted thereunder the “Leasehold Estate”); and

WHEREAS, Assignee provided financing for the purchase of the Leasehold Estate and certain improvements on such ground leased property; and

WHEREAS, for the purpose of securing and enforcing the payment obligations of Assignor to Assignee, Assignor now wishes to collaterally assign the Lease to the Assignee through the Leasehold Deed of Trust attached hereto as **Exhibit A** (the “Leasehold Deed of Trust”); and

WHEREAS, Section IX.C of the Lease provides preconditions that must be met before the City will consent to a collateral assignment and those preconditions have been satisfied or are satisfied herein;

NOW THEREFORE, in consideration of the mutual covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City hereby consents to Assignor’s collateral assignment of the Leasehold Estate to Assignee, through the Leasehold Deed of Trust (the “Collateral Assignment”) attached as Exhibit “A,” under the following terms and conditions:

1. Assignor shall pay to the City a transfer fee of One Thousand Dollars (\$1,000.00) in connection with the City providing its consent to the Collateral Assignment of the Leasehold Estate.
2. Assignor will pay or will have Assignee pay for all of the City’s administrative costs for handling and processing the Collateral Assign.
3. Assignee certifies that it has reviewed the Lease and accepts the provisions applicable to the Assignee as Lender as defined therein, including but not limited to Section IX.C.
4. Assignee shall give the City copies of any written notice which Assignee gives to Assignor of any default by Assignor under any financing agreement, promissory note, or the Collateral Assignment at the same time it gives notice to the Assignor. Any such notice shall be delivered as follows:

City Manager
City of Denton
215 E. McKinney
Denton, Texas 76201

with copies to:

Airport Manager
Denton Enterprise Airport
5000 Airport Road
Denton, Texas 76207

City Attorney
City of Denton
215 E. McKinney
Denton, Texas 76201

5. The City agrees to provide Assignee a contemporaneous copy of all written notices provided to Assignor under the Lease. Wherein a notice of default or breach has been provided by the City to Assignor and Assignee, Assignee shall be entitled, at its option, to cure such default or breach, and the City shall accept such cure from Assignee. If the default or breach is not cured as provided under the Lease, the City shall have the remedies available to it as set out therein. Any notice to be delivered from City to Assignee shall be delivered to the following:

Huntington National Bank
Attn: Legal Department
41 S. High Street
Columbus, OH 43215

6. Should Assignee foreclose or otherwise obtain Assignor's rights and interest in the Leasehold Estate, the City will not unreasonably withhold its consent to an assignment by Assignee to future successors upon being provided with the potential successor's (i) financial statement, (ii) confirmation of no outstanding taxes, liens, or judgments, and (ii) a demonstrated history of aviation experience. The City shall be the sole judge of any potential successor's qualifications, which shall be reasonably exercised.
7. In the event of any inconsistency between the terms and conditions of the Lease and the terms and conditions of this Consent, then the Lease shall govern and control.
8. If any provisions of this Consent shall be held or deemed to be illegal, inoperative, or unenforceable, the same shall not affect any other provisions contained herein; the remaining provisions to remain in full force and effect.

9. The City hereby represents and warrants that this Consent is made with proper authority under ordinance.
10. Assignee, its authorized representatives or agents, may, upon reasonable advanced notice (written or oral) to Assignor and City and at any reasonable times, enter the Property for the purposes of inspecting, repairing, or removing personal property. Assignee may further, upon reasonable advanced written notice to City and Assignor and at reasonable times, enter upon the Property to exhibit or conduct a sale(s) of any or all of the collateral pledged to Assignee, subject to the City's interests under the Lease.
11. This Consent shall be governed by and construed in accordance with the laws of the State of Texas. Exclusive venue for any action related to this Consent shall be solely in a court of competent jurisdiction in Denton County, Texas.
12. This Consent will bind and inure to the benefit of the parties, their heirs, executors, administrators, successors in interest, and assigns.

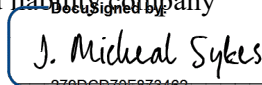
IN WITNESS HEREOF, the parties have executed this Consent as of the date written below.

[Signatures on following page]

Dated: _____

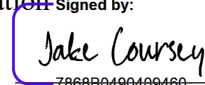
ASSIGNOR:

Sykes-Vaughan Investments, LLC, a Texas
limited liability company

By: 
Name: J. Micheal Sykes
Title: CEO

ASSIGNEE:

Huntington National Bank, a national banking
association

By: 
Name: Jake Coursey
Title: SVP

CITY OF DENTON
Landlord

By: _____
Name: _____
Title: _____

ATTEST:
LAUREN THODEN, CITY SECRETARY

By: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

By: 
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NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND UCC FINANCING STATEMENT FOR FIXTURE FILING

(Texas)

by

SYKES-VAUGHAN INVESTMENTS LLC, a Texas limited liability company,
as Grantor,

to

JAKE D. COURSEY,

as Trustee,

for the benefit of

THE HUNTINGTON NATIONAL BANK,

as Beneficiary

This Instrument shall be effective as a
**UNIFORM COMMERCIAL CODE FINANCING STATEMENT FILED AS A
FIXTURE FILING**

By Debtor: Sykes-Vaughan Investments LLC
4850 Spartan Drive
Denton, Texas 76207
Attn: Justin Sykes

To Secured Party: The Huntington National Bank
15305 Dallas Parkway, Floor 12
Addison, TX 75001
Attn: Cyndy Hackman

This Financing Statement covers goods described herein by item or type some or all of which are affixed or are to be affixed to the real property described in Exhibit A attached hereto.

THIS INSTRUMENT PREPARED BY AND AFTER RECORDING PLEASE RETURN TO:

Bell Nunnally & Martin LLP
2323 Ross Ave., Suite 1900
Dallas, Texas 75201
Attn: William A. DeLoach

(Denton County)

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EXHIBITS

Exhibit A	Legal Description
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**LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY
AGREEMENT AND UCC FINANCING STATEMENT FOR FIXTURE FILING**

STATE OF TEXAS §
 §
COUNTY OF DENTON §

This LEASEHOLD DEED OF TRUST, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND UCC FINANCING STATEMENT FOR FIXTURE FILING (as amended, restated, or supplemented, this “*Deed of Trust*”) is executed by Sykes-Vaughan Investments LLC, a Texas limited liability company (“*Grantor*”), to Jake D. Coursey, Trustee (the “*Trustee*”) for the benefit of The Huntington National Bank (“*Beneficiary*”), and is to be effective as of [*], 2025.

ARTICLE 1

DEFINITIONS AND TERMS

1.1 Defined Terms. Unless otherwise defined in this Deed of Trust, or unless the context otherwise requires, each capitalized term used in this Deed of Trust shall have the meaning given such term in the Credit Agreements (defined below). As used in this Deed of Trust, the following terms shall have the following meanings:

City means the City of Denton, Texas.

Credit Agreements mean (i) that certain Loan and Security Agreement, dated of even date herewith, among Grantor, as borrower, certain affiliates of Grantor from time to time party thereto, and Beneficiary, as lender, together with all schedules, exhibits, and annexes thereto, in each case, as amended, restated, or supplemented from time to time, and (ii) that certain Loan and Security Agreement dated April 9, 2025, among U.S. Aviation Group LLC, a Texas limited liability company, as borrower, certain affiliates of Grantor from time to time party thereto, and Beneficiary, as lender, together with all schedules, exhibits, and annexes thereto, in each case, as amended, restated, or supplemented from time to time.

Event of Default means an “Event of Default” under, and as defined in, the Credit Agreements.

Fixtures means (a) all materials, supplies, equipment, apparatus, and other items now or hereafter attached to, installed on or in the Leased Premises or the Improvements, or which in some fashion are deemed to be fixtures to the Leased Premises or Improvements under Applicable Law, other than those owned by tenants under any Lease, and (b) all items of Personal Property to the extent that the same may be deemed fixtures under Applicable Law.

Ground Lease means that certain Airport Lease Agreement dated May 20, 1997, between the City and Hangar 10 Flying Museum, as subsequently amended and assigned to Sykes-Vaughan Investments, LLC.

Grantor means the above defined Grantor and any and all subsequent record or equitable owners of the Mortgaged Property.

Impositions means all real estate and personal property taxes; water, gas, sewer, electricity, and other utility rates and charges; charges for any easement, license, or agreement maintained for

the benefit of the Mortgaged Property, and all other taxes, standby fees, charges, and assessments and any interest, costs, or penalties with respect thereto of any kind and or character whatsoever which at any time before or after the execution of this Deed of Trust may be assessed, levied, or imposed upon the Mortgaged Property or the ownership, use, occupancy, or enjoyment thereof.

Improvements means all buildings, structures, open parking areas, and other improvements, and any and all accessions, additions, replacements, substitutions, or alterations thereof or appurtenances thereto, now or at any time hereafter situated, placed, constructed, or renovated upon the Leased Premises or any part of the Leased Premises.

Leased Premises means the real estate or any interest therein described in **Exhibit A** attached hereto and made a part hereof, together with all Improvements and Fixtures and all rights, titles, and interests appurtenant thereto.

Lease means (a) any lease, sublease, license, concession, or other agreement (written or oral, now or hereafter in effect), which grants a possessory interest in and to, or the right to extract from, mine, occupy, sell or use the Mortgaged Property, and (b) all other agreements, including, but not limited to, utility contracts, maintenance agreements, and service contracts which in any way relate to the use, occupancy, operations, maintenance, enjoyment, or ownership of the Mortgaged Property, save and except any and all leases, subleases, or other agreements pursuant to which Grantor is granted a possessory interest in the Leased Premises.

Legal Requirements means (a) any and all present and future Applicable Laws respecting the ownership, use, occupancy, possession, operation, construction, maintenance, alteration, repair, or reconstruction of the Mortgage Property, (b) Grantor's Organizational Documents, (c) any and all Leases and other contracts (written or oral) of any nature to which Grantor may be bound, and (d) any and all restrictions, reservations, conditions, easements, or other covenants or agreements of record affecting the Mortgaged Property.

Mortgaged Property means all, any portion, or any interest in, the Ground Lease, the Leased Premises, Improvements, Fixtures, Personal Property, Leases, and Rents, together with (a) all rights, privileges, tenements, hereditaments, rights of way, easements, appendages, and appurtenances in anywise appertaining thereto, and all of Grantor's right, title and interest in and to any streets, ways, alleys, strips, or gores of land adjoining the Leased Premises or any part therein, (b) all betterments, accessions, additions, appurtenances, substitutions, replacements, and revisions thereof and thereto and all reversions and remainders therein, (c) all other interest of every kind and character which Grantor now has or at any time hereafter acquires in and to the above described and all property which is used or useful in connection therewith, including rights of ingress and egress, easements, licenses, and all reversionary rights or interests of Grantor with respect to such property.

Personal Property means all of Grantor's right, title, and interest in and to all tangible and intangible personal property, whether or not Fixtures, including all equipment, inventory, goods, consumer goods, accounts, chattel paper, instruments, money, general intangibles, documents, minerals, crops, and timber which are attached to, installed, placed, or used on or in connection with, or is acquired for such attachment, installation, placement, or use, or which arises out of the improvement, financing, leasing, operation, or use of, the Ground Lease, the Leased Premises, the Improvements, Fixtures, or other goods located on the Leased Premises or Improvements, together with all additions, accessions, accessories, amendments, and modifications thereto, extensions, renewals, enlargements, and proceeds thereof, substitutions therefor, and income and profits therefrom.

Rents means all of the rents, revenues, income, proceeds, royalties, profits, and other benefits paid or payable for using, leasing, licensing, possessing, operating from or in, residing in, selling, mining, extracting, or otherwise enjoying or using the Mortgaged Property.

Secured Obligations means (a) the Obligations under and as defined in the Credit Agreements, including, without limitation, amounts that would become due but for operation of any applicable provision of Title 11 of the United States Code (including 11 U.S.C. §§ 502 and 506), together with all pre- and post-maturity interest thereon, which shall include, without limitation, all post-petition interest if Grantor voluntarily or involuntarily files for bankruptcy protection, (b) all indebtedness, liabilities, and obligations of Grantor arising under this Deed of Trust, (c) interest accruing on, and reasonable attorneys' fees, court costs, and other costs of collection reasonably incurred in the collection or enforcement of, any of the indebtedness, liabilities, or obligations described in *clauses (a) and (b)* above, and (d) any and all renewals and extensions of, or amendments to, any of the indebtedness, liabilities, and obligations described in *clauses (a) through (c)* above, together with all funds hereafter advanced by Beneficiary to or for the benefit of Grantor as contemplated by any covenant or provision contained in any Loan Document including this Deed of Trust, it being contemplated that Grantor may hereafter become further indebted to Beneficiary in further sum or sums. For the avoidance of doubt, the Secured Obligations shall not include any Excluded Swap Obligation.

1.2 Interpretive Provisions. All words, terms and provisions of the Credit Agreements shall be applied to this Deed of Trust in the same manner as applied in the Credit Agreements.

ARTICLE 2

GRANT OF LIEN; HABENDUM CLAUSE; ASSIGNMENT OF LEASES AND RENTS.

2.1 Grant of Lien; Habendum Clause. To secure the full and timely payment of the Secured Obligations and the full and timely performance and discharge of Grantor's obligations under this Deed of Trust, Grantor has GRANTED, BARGAINED, SOLD, and CONVEYED, and by these presents does GRANT, BARGAIN, SELL, and CONVEY unto the Trustee the Mortgaged Property, TO HAVE AND TO HOLD the Mortgaged Property unto the Trustee, the Trustee's successors in trust, and the Trustee's assigns forever, in trust with power of sale, and Grantor does hereby bind itself, and its successors, legal representatives, and assigns to warrant and forever defend the title to the Mortgaged Property unto the Trustee against every Person whomsoever lawfully claiming or to claim the same or any part thereof.

2.2 Subrogation. The Trustee and Beneficiary are hereby subrogated to the claims and liens of all parties whose claims or liens are fully or partially discharged or paid with the proceeds of the Secured Obligations secured by this Deed of Trust, notwithstanding that such claims or liens may have been cancelled and satisfied of record.

2.3 Assignment of Leases and Rents.

(a) Grantor hereby absolutely, irrevocably and unconditionally grants, transfers, and assigns to Beneficiary all of Grantor's right, title, and interest in and to any and all Leases and Rents.

(b) Subject to the terms of the Credit Agreements, if an Event of Default has occurred and is continuing, Beneficiary shall have the right, power, and authority: (i) to notify any and all tenants and other obligors on Leases that the Leases have been assigned to Beneficiary and that all

Rents are to be paid directly to Beneficiary whether or not Beneficiary has foreclosed or commenced foreclosure proceedings against the Mortgaged Property and whether or not Beneficiary has taken possession of the Mortgaged Property; (ii) to settle, compromise, or release, on terms acceptable to Beneficiary, in whole or in part, any Rents and any amounts owing on the Leases; (iii) to enforce payment of Rents, prosecute any action or proceeding, and to defend legal proceedings with respect to any and all Rents and Leases; (iv) to extend the time of payment, make allowances, adjustments, and discounts under the Leases; (v) to enter upon, take possession of, and operate the Mortgaged Property; (vi) to lease all or any part of the Mortgaged Property; and (vii) to enforce all other rights of the lessor or sublessor under the Leases.

(c) Subject to the provisions of **Section 2.3(d)** below granting Grantor a revocable, limited license, Beneficiary has the right, power, and authority to use and apply any Rents received hereunder as Beneficiary may in its sole and absolute discretion deem advisable for the payment of (i) any and all costs and expenses incurred in connection with enforcing or defending the terms of this Deed of Trust or the rights of Beneficiary hereunder, collecting any Rents, for the operation and maintenance of the Property, and the payment of all costs and expenses in connection therewith, and (ii) the Secured Obligations.

(d) Subject to the terms of the Credit Agreements, Grantor shall have a revocable license to collect and receive the Rents and to retain, use, and enjoy such Rents subject to the terms and conditions hereof. Such license may be revoked by Beneficiary, without notice to Grantor, upon the occurrence of an Event of Default.

(e) Notwithstanding anything herein to the contrary, Beneficiary shall not be obligated to perform or discharge, and Beneficiary does not undertake to perform or discharge, any obligation, duty, or liability with respect to the Leases and the Rents under or by reason of this Deed of Trust and the assignment of Leases and Rents provided for herein. This assignment shall not operate to place responsibility for the control, care, maintenance, or repair of the Mortgaged Property upon Beneficiary or to make Beneficiary responsible or liable for any liabilities or losses associated with or arising from the Mortgaged Property, including, but not limited to, any waste committed on the Mortgaged Property by any tenant or other Person, for any dangerous or defective condition of the Mortgaged Property, or for the acts or omissions of Grantor or any tenant or other Person in the management, upkeep, repair, or control of the Mortgaged Property.

(f) Texas Property Code Sections 64.001, 64.002, and 64.051-64.062 shall apply to the assignment of rents and leases provided in the Deed of Trust.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES.

3.1 Deed of Trust Lien. Grantor hereby unconditionally represents and warrants to the Beneficiary that this Deed of Trust constitutes a valid, subsisting lien on the Ground Lease, the Improvements, and the Fixtures, and a valid, subsisting security interest in and to the Personal Property and a valid, subsisting assignment of the Ground Lease, Leases and Rents. Grantor shall make, execute, acknowledge and deliver all such further or other deeds, documents, instruments, or assurances, and cause to be done all such further acts as may at any time hereafter be reasonably required by Beneficiary to protect fully the lien of this Deed of Trust.

3.2 Warrant Title. Grantor is seized of a leasehold interest, in and to the Leased Premises and hereby warrants to Beneficiary its rights in and under the Ground Lease. Grantor hereby covenants that

Grantor shall preserve such title and the validity and priority of the lien of this Deed of Trust and shall forever warrant and defend the same to Beneficiary against all lawful claims whatsoever and the claims of all Persons whomsoever claiming or threatening to claim the same or any part thereof.

ARTICLE 4

AFFIRMATIVE COVENANTS

Grantor acknowledges that certain covenants in the Credit Agreements are applicable to it or shall be imposed upon it and Grantor covenants and agrees to comply with each of them. Furthermore, Grantor hereby unconditionally covenants and agrees with Beneficiary as follows:

4.1 Payment of Impositions. Grantor will pay and discharge, or cause to be paid and discharged, the Impositions and Grantor's obligations to materialmen, mechanics, carriers, warehousemen, or other like Persons as and when required to be paid pursuant to the terms of the Credit Agreements unless contested in good faith by appropriate proceedings.

4.2 Repair. Grantor will keep the Mortgaged Property in good order and condition and presenting a good appearance and will make all repairs, replacements, renewals, additions, betterments, improvements, and alterations thereof and thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, which are necessary or reasonably appropriate to keep same in such order and condition.

4.3 Defense of Title. If the title of the Trustee to, or the interest of Beneficiary in, the Mortgaged Property or any part thereof, shall be endangered or shall be attacked, directly or indirectly, Grantor shall, at Grantor's expense, take all necessary and proper steps for the defense of such title or interest, including the employment of counsel, the prosecution or defense of litigation, and the compromise or discharge of claims made against such title or interest in the Mortgaged Property. In the event of Grantor's failure or inability to proceed initially as provided above, the Trustee and Beneficiary or either of them (whether or not named as parties to legal proceedings with respect thereto) are hereby authorized and empowered to take, at Grantor's expense, such additional steps as in their reasonable judgment may be necessary or proper for the defense of any such legal proceedings or the protection of the validity or priority of this Deed of Trust and the rights, titles, liens and security interests created or evidenced hereby.

4.4 Security and Priority of Advances. This Deed of Trust secures future advances. Beneficiary may make additional advances from time to time hereafter and each such advance shall be secured hereby as if made on the date hereof. This Deed of Trust also secures, and the Credit Agreements evidence, the obligation of Grantor to repay the Secured Obligations and (a) all advances made after the date hereof with respect to the Mortgaged Property for the payment of real estate taxes, water and sewer rents, assessments, maintenance charges, insurance premiums or costs incurred for the protection of the Mortgaged Property and the lien of this Deed of Trust, (b) all costs and expenses incurred by Beneficiary by reason of an Event of Default hereunder, and (c) all advances made by Beneficiary to enable completion of construction of improvements to the Mortgaged Property. This Deed of Trust shall constitute a lien on the Mortgaged Property from the time this Deed of Trust is recorded and secures, among other things, all such advances and expenses, plus interest thereon, regardless of the time when such advances are made or such expenses are incurred.

4.5 Ground Lease.

(a) Grantor hereby covenants and agrees that Grantor shall (i) pay all rents, additional rents and other sums required to be paid by Grantor under and pursuant to the provisions of the

Ground Lease as and when the same shall become due, (ii) promptly and faithfully observe, perform and comply with all of the terms, covenants and provisions of the Ground Lease on the part of Grantor to be observed, performed and complied with, at the times set forth therein, and do all things necessary to preserve unimpaired its rights under the Ground Lease, and (iii) promptly notify Secured Party of the giving of any written notice by the landlord under the Ground Lease to Grantor of any default by Grantor in the performance or observance of any of the terms, covenants or conditions of the Ground Lease on the part of Grantor to be performed or observed and deliver to Secured Party a true copy of each such notice. Grantor shall not, without the prior written consent of Secured Party, which consent will not be unreasonably withheld or delayed, surrender the leasehold estate created by the Ground Lease or terminate or cancel the Ground Lease or modify, change, supplement, alter or amend the Ground Lease, in any material respect, either orally or in writing, and Grantor hereby assigns (upon occurrence and during the continuance of an Event of Default beyond any applicable notice and cure period) to Secured Party, as further security for the payment of the Secured Obligations and for the performance and observance of the terms, covenants and conditions of this Deed of Trust, all of the rights, privileges and prerogatives of Grantor, as tenant under the Ground Lease, to surrender the leasehold estate created by the Ground Lease or to terminate, cancel, modify, change, supplement, alter or amend the Ground Lease, and any such surrender of the leasehold estate created by the Ground Lease or termination, cancellation, modification, change, supplement, alteration or amendment of the Ground Lease without the prior written consent of Secured Party shall be void and of no force and effect. Grantor shall, within ten (10) business days after written request by Secured Party, furnish to Secured Party an estoppel certificate, together with such supporting information and evidence as Secured Party may reasonably require which is in the possession or control of Grantor, concerning Grantor's due observance, performance and compliance with the terms, covenants and provisions of the Ground Lease.

(b) If Grantor shall default beyond any applicable notice and cure period in the Ground Lease in the performance or observance of any term, covenant or condition of the Ground Lease on the part of Grantor to be performed or observed, including, without limitation, any default in the payment of rent, additional rent and other charges and impositions made payable by the tenant under the Ground Lease, then, in each and every case, without limiting the generality of the other provisions of this Deed of Trust and without waiving or releasing Grantor from any of its obligations hereunder, Secured Party shall have the right, but shall be under no obligation, at its option and without notice, to pay any sums or perform any act or take any action as may be appropriate to cause the default or defaults to be remedied and all of the terms, covenants and conditions of the Ground Lease on the part of Grantor to be performed or observed, to the end that the rights of Grantor in, to and under the Ground Lease shall be kept unimpaired and free from default, even though the existence of such event of default or the nature thereof be questioned or denied by Grantor or by any party on behalf of Grantor. In any such event, subject to the rights of tenants, subtenants and other occupants under any leases, Secured Party and any person designated by Secured Party shall have, and are hereby granted, the right to enter upon the Leased Premises at any time and from time to time for the purpose of taking any such action. Grantor shall, on demand, reimburse Secured Party for all advances made and expenses incurred by Secured Party in curing any such default (including, without limitation, attorneys' fees and disbursements), together with interest thereon at the Default Rate from the date that an advance is made or expense is incurred to and including the date the same is paid, and such monies so expended by Secured Party with interest thereon shall be secured by this Deed of Trust and by all of the other documents securing all or any part of the indebtedness evidenced by the Credit Agreements. If the landlord under the Ground Lease shall deliver to Secured Party a copy of any notice of default sent by said landlord to Grantor, as tenant under the Ground Lease, such notice shall constitute full authority and protection to

Secured Party for any action taken or omitted to be taken by Secured Party, in good faith, in reliance thereon.

(c) Grantor shall enforce the obligations of the landlord under the Ground Lease to the end that Grantor may enjoy all of the rights granted to it under the Ground Lease. Grantor will promptly notify Secured Party in writing of any material default by the landlord under the Ground Lease of which it is aware in the performance or observance of any of the terms, covenants and conditions on the part of such landlord to be performed or observed under the Ground Lease.

(d) Grantor shall give Secured Party prompt notice of the commencement of any arbitration or appraisal proceeding to which Grantor is a party or of which Grantor has been otherwise notified in writing concerning the provisions of the Ground Lease. Secured Party shall have the right to intervene and participate in any such proceeding if such proceeding, if adversely determined, would be reasonably expected to have a material adverse effect on Grantor or the Leased Premises, and Grantor shall confer with Secured Party and its attorneys and experts and cooperate with them to the extent which Secured Party deems reasonably necessary for the protection of Secured Party. Upon the reasonable request of Secured Party, Grantor will exercise all rights of arbitration conferred upon it by the Ground Lease. If at any time such proceeding shall have commenced, Grantor shall be in material default beyond any applicable notice and cure period as provided in the Ground Lease in the performance or observance of any covenant, condition or other requirement of the Ground Lease on the part of Grantor to be performed or observed or a default shall have occurred and is continuing beyond any applicable notice and cure period hereunder, Secured Party shall have, and is hereby granted the sole and exclusive right to designate and appoint on behalf of Grantor, the arbitrator or arbitrators, or appraiser, in such proceeding.

ARTICLE 5

NEGATIVE COVENANTS

Grantor acknowledges that certain covenants in the Credit Agreements are applicable to it or shall be imposed upon it and covenants and agrees to comply with each of them. Furthermore, Grantor hereby covenants and agrees that:

5.1 Use Violations. Grantor will not use, maintain, operate, or occupy, or allow the use, maintenance, operation, or occupancy of the Mortgaged Property in any manner which, in case of any of the following would constitute a Material Adverse Event, (a) violates any Legal Requirement, (b) may be dangerous unless safeguarded as required by Applicable Law, or (c) constitutes a public or private nuisance.

5.2 Prohibition on Transfer. Except as may be permitted by the Credit Agreements, Grantor will not sell, trade, transfer, assign, exchange, or otherwise dispose of any of the Mortgaged Property.

5.3 Ground Lease. Grantor will not subordinate or consent to the subordination of the Ground Lease to any mortgage, security deed, lease or other interest on or in the landlord's interest in all or any part of the Property, unless, in each such case, the written consent of Secured Party shall have been first had and obtained, which consent will not be unreasonably withheld or delayed.

ARTICLE 6

DEFAULT AND FORECLOSURE

6.1 Remedies. If an Event of Default occurs and is continuing, Beneficiary may, by and through the Trustee or otherwise, exercise any or all of the following rights, remedies and recourses to the extent permitted by Applicable Law:

(a) Declare the Secured Obligations immediately due and payable in accordance with the terms of the Credit Agreements whereupon the same shall become immediately due and payable. Grantor expressly waives any notice of intent to accelerate, notice of acceleration, or any other notice, presentment, protest, demand or action of any kind or nature whatsoever.

(b) Enter upon the Mortgaged Property and take exclusive possession thereof and of all Grantor's books, records, and accounts relating thereto without notice and without being guilty of trespass. If Grantor remains in possession of all or any part of the Mortgaged Property, and without Beneficiary's prior written consent thereto, Beneficiary may, without notice to Grantor, invoke any and all legal remedies to dispossess Grantor, including specifically one or more actions for forcible entry and detainer, trespass to try title, and writ of restitution. Nothing contained in the foregoing sentence shall, however, be construed to impose any greater obligation or any prerequisites to acquiring possession of the Mortgaged Property after an Event of Default than would have existed in the absence of such sentence.

(c) Hold, lease, manage, operate, or otherwise use or permit the use of the Mortgaged Property, either itself or by other Persons, in such manner, for such time and upon such other terms as Beneficiary may deem to be prudent and reasonable under the circumstances (making such repairs thereto and taking any and all other action with reference thereto, from time to time, as Beneficiary shall deem reasonably necessary for the purpose of maintaining the Mortgaged Property in its then current condition but not making any material capital improvements thereto) and apply all Rents and other amounts collected by the Trustee in connection therewith in accordance with the provisions of **Section 6.8** of this Deed of Trust.

(d) Request the Trustee to proceed with foreclosure. Upon the request, the Trustee is authorized and empowered, and it shall be his special duty, to sell or offer for sale the Mortgaged Property. The Mortgaged Property shall be sold at public auction in accordance with then Applicable Law.

(e) At any sale of the Mortgaged Property (i) the Trustee need not have the Mortgaged Property physically present or have constructive possession of the Mortgaged Property; *provided that*, the title to and right of possession of any such Mortgaged Property shall pass to the purchaser thereof as completely as if the same had been actually present and delivered to purchaser at such sale; (ii) each conveyance instrument executed by the Trustee shall contain a general warranty of title binding upon Grantor; (iii) each and every recital contained in any conveyance instrument executed by the Trustee shall constitute *prima facie* evidence of the truth and accuracy of the matters recited therein including, appointment of any successor Trustee hereunder, nonpayment of the Secured Obligations, notice, filing, posting, and conduct of the sale in the manner provided herein and by Applicable Law; (iv) all prerequisites to the validity of the sale shall be rebuttably presumed to have been performed; (v) the receipt from the Trustee, or such other party or officer conducting the sale, shall be sufficient to discharge the purchaser for his purchase money, and no purchaser or his assigns or personal representatives, shall thereafter be obligated to see to the application of such purchase money or be in any way answerable for any loss, misapplication, or

non-application thereof; (vii) Grantor shall be completely and irrevocably divested of all of its right, title, interest, claim, and demand whatsoever, either at law or in equity, in and to the property sold, and such sale shall be a perpetual bar both at law and in equity against Grantor and against all other persons claiming or to claim the property sold or any part thereof by, through or under Grantor; and (viii) Beneficiary may be a purchaser at any such sale and may credit the bid against the Secured Obligations.

(f) Subject to the terms of the Credit Agreements, Beneficiary or the Trustee may make application to a court of competent jurisdiction, as a matter of strict right and without regard to the adequacy of the Mortgaged Property for the repayment of the Secured Obligations, for appointment of a receiver of the Mortgaged Property. Any such receiver shall have all the usual powers and duties of receivers in similar cases, including the full power to sell, rent, maintain, and otherwise operate the Mortgaged Property upon such terms as may be approved by the court, and shall apply the Rents in accordance with the provisions of **Section 6.8** in this Deed of Trust.

(g) Except as otherwise prohibited by Applicable Law, in the event Beneficiary is the successful bidder at a foreclosure sale of all or any part of the Mortgaged Property, it shall have the right to cancel any insurance policy covering the property foreclosed upon and collect any unearned premiums from said policy.

(h) Exercise any and all other rights, remedies, and recourses granted under the Loan Documents or now or hereafter existing in equity, at law, by virtue of statute, or otherwise.

6.2 Divestment of Rights, Tenant at Sufferance. After sale of the Mortgaged Property, or any portion thereof, Grantor shall be divested of any and all interest and claim thereto, including any interest or claim to all insurance policies, bonds, loan commitments, contracts, and other intangible property covered by this Deed of Trust. Additionally, with respect to the Ground Lease, the Leased Premises, Improvements, Fixtures, and Personal Property, after a sale of all or any portion thereof, Grantor will be considered a tenant at sufferance of the purchaser of the same, and said purchaser shall be entitled to immediate possession thereof, and if Grantor shall fail to vacate the Mortgaged Property immediately, said purchaser may and shall have the right, without further notice to Grantor, to go into any justice of the peace court in any precinct or county in which the Leased Premises and Improvements are located and file an action in forcible entry and detainer or forcible detainer, which action shall lie against Grantor or its assigns or legal representatives as a tenant at sufferance.

6.3 Separate Sales. If an Event of Default occurs and is continuing, the Trustee may sell all or any portion of the Mortgaged Property together or in lots or parcels and in such manner and order as the Trustee, in its sole discretion, may elect. The sale or sales by the Trustee of less than the whole of the Mortgaged Property shall not exhaust the power of sale granted in this Deed of Trust, and the Trustee is specifically empowered to make successive sale or sales under such power until the whole of the Mortgaged Property shall be sold; and if the proceeds of such sale or sales of less than the whole of such Mortgaged Property shall be less than the aggregate of the Secured Obligations and the expense of executing this trust, this Deed of Trust and the lien, security interest and assignment hereof shall remain in full force and effect as to the unsold portion of the Mortgaged Property just as though no sale or sales had been made; *provided that*, Grantor shall never have any right to require the sale or sales of less than the whole of the Mortgaged Property, but Beneficiary shall have the right, at its sole election, to request the Trustee to sell less than the whole of the Mortgaged Property. As among the various counties in which items of the Mortgaged Property may be situated, sales in such counties may be conducted in any order that the Trustee may deem expedient; and any one or more of such sales may be conducted in the same month, or in successive or different months, as the Trustee may deem expedient. If an Event of Default occurs as to nonpayment of part of the Secured Obligations, Beneficiary shall have the option to proceed as if under a full foreclosure, conducting

the sale as herein provided without declaring the entire Secured Obligations due, and if sale is made because of default of an installment, or a part of an installment, such sale may be made subject to the unmatured part of any Note and the Secured Obligations; and such sale, if so made, shall not in any manner affect the unmatured part of the Secured Obligations but as to such unmatured part, this Deed of Trust shall remain in full force and effect as though no sale had been made under the provisions of this Deed of Trust. Any number of sales may be made under this Deed of Trust without exhausting the right of sale for any unmatured part of the Secured Obligations secured hereby.

6.4 Remedies Cumulative, Concurrent, and Nonexclusive. The Trustee and Beneficiary shall have all rights, remedies, and recourses granted in the Loan Documents and available at law or equity and same (a) shall be cumulative and concurrent; (b) may be pursued separately, successively, or concurrently against Grantor or others obligated under any Note, or against the Mortgaged Property, or against any one or more of them at the sole discretion of Beneficiary; (c) may be exercised as often as occasion therefor shall arise, it being agreed by Grantor that the exercise or failure to exercise any of the same shall in no event be construed as a waiver or release thereof or of any other right, remedy, or recourse; and (d) are intended to be, and shall be, nonexclusive.

6.5 Release of and Resort to Collateral. Any part of the Mortgaged Property may be released by Beneficiary in accordance with the Credit Agreements without affecting, subordinating, or releasing the lien, security interest, and assignment hereof against the remainder of the Mortgaged Property. The lien, security interest, and other rights granted hereby shall not affect or be affected by any other security taken for the Secured Obligations or any part thereof. The taking of additional security or the rearrangement, extension, or renewal of the Secured Obligations, or any part thereof, shall not release or impair the lien, security interest, and other rights granted hereby or affect the liability of any endorser, guarantor, or surety or improve the right of any permitted junior lienholder; and this Deed of Trust, as well as any instrument given to secure any rearrangement, renewal, or extension of the Secured Obligations secured hereby, or any part thereof, shall be and remain a first and prior lien.

6.6 Waiver of Redemption, Notice, and Marshaling of Assets. To the fullest extent permitted by Applicable Law, Grantor hereby irrevocably and unconditionally waives and releases (a) all benefits that might accrue to Grantor by any present or future Applicable Laws exempting the Mortgaged Property from attachment, levy, or sale on execution or providing for any appraisal, valuation, stay of execution, exemption from civil process, redemption, or extension of time for payment, (b) except as may be provided for under the terms of the Loan Documents, all notices of any Event of Default or of Beneficiary's or the Trustee's election to exercise or the actual exercise of any right, remedy, or recourse provided for under the Loan Documents, (c) any right to appraisal or marshaling of assets or a sale in inverse order of alienation, (d) the exemption of homestead, and (e) the administration of estates of decedents or other matters whatever to defeat, reduce, or affect the right of Beneficiary under the terms of this Deed of Trust to sell the Mortgaged Property for the collection of the Secured Obligations secured hereby (without any prior or different resort for collection) or the right of Beneficiary under the terms of this Deed of Trust, to the payment of the Secured Obligations out of the proceeds of sale of the Mortgaged Property in preference to every other person and claimant whatever (only reasonable expenses of such sale being first deducted).

6.7 Discontinuance of Proceedings. In case Beneficiary shall have proceeded to invoke any right, remedy, or recourse permitted under the Loan Documents and shall thereafter elect to discontinue or abandon the same for any reason, Beneficiary shall have the unqualified right to do so, and, in such event, Grantor and Beneficiary shall be restored to their former positions with respect to the Secured Obligations, the Loan Documents, the Mortgaged Property, and otherwise and the rights, remedies, recourses, and power of Beneficiary shall continue as if same had never been invoked.

6.8 Application of Proceeds, Deficiency Obligation. The proceeds of any sale of, and the Rents and other income generated by the holding, leasing, operating, or other use of, the Mortgaged Property shall be applied by Beneficiary (or the receiver, if one is appointed) to the extent that funds are so available therefrom in accordance with the Credit Agreements with any surplus to be paid, at the option of Beneficiary to the payment of any indebtedness or obligation secured by a subordinate deed of trust or security interest on the Mortgaged Property or to Grantor. Any other party liable on the Secured Obligations shall be liable for any deficiency remaining in the Secured Obligations subsequent to the sale referenced in this **Section 6.8.**

6.9 Purchase by Beneficiary. To the extent permitted by Applicable Law, Beneficiary shall have the right to become the purchaser at the sale of the Mortgaged Property under this Deed of Trust and shall have the right to be credited on the amount of its bid for the Mortgaged Property or any part thereof being sold, all of the Secured Obligations due and owing as of the date of such sale.

6.10 Disaffirmation of Contracts. To the extent permitted by Applicable Law, the purchaser at any Trustee's or foreclosure sale hereunder may disaffirm any easement granted or rental, lease, or other contract made in violation of any provision of this Deed of Trust or the Credit Agreements and may take immediate possession of the Mortgaged Property free from, and despite the terms of, such grant of easement or rental, lease, or other contract. With respect to any Lease of real property submitted to and approved by Beneficiary, Beneficiary agrees that the holding of a foreclosure sale or conveyance in lieu thereof by it shall not terminate such Lease nor the rights and obligations of a lessee thereunder, so long as such lessee continues to perform all of its obligations thereunder, including, without limitation, the payment of all rental payments thereunder.

6.11 Deficiency Suit. It is expressly agreed by Grantor that (a) the "fair market value" of the Mortgaged Property shall be determined as of the foreclosure date in order to enforce a deficiency against Grantor or any other party liable for repayment of the Secured Obligations, and (b) the term "fair market value" shall include those matters required by Applicable Law and, to the extent permitted by Applicable Law, shall also include the additional factors set forth below:

(a) the Mortgaged Property is to be valued "AS IS" and "WITH ALL FAULTS" and there shall be no assumption of restoration of or refurbishment of improvements, if any, after the date of the foreclosure;

(b) there shall be an assumption that the purchaser desires to resell the Mortgaged Property for an all cash sales price promptly (but no later than 12 months) after the foreclosure sale;

(c) an offset to the fair market value of the Mortgaged Property, as determined hereunder, shall be made by deducting from such value the reasonable estimated closing costs relating to the sale of the Mortgaged Property, including but not limited to, brokerage commissions, title policy expenses, tax prorations, escrow fees, and other common charges which are incurred by a seller of property; and

(d) after consideration of the factors required by Applicable Law and those required above, an additional discount factor shall be calculated based upon the estimated holding costs associated with maintaining the Mortgaged Property for the estimated time it will take to effectuate a sale of the Mortgaged Property including, without limitation, utility expenses, taxes and assessments (to the extent not accounted for in *clause (c)* above) so that the "fair market value" as so determined is discounted to be as of the date of the foreclosure sale of the Mortgaged Property.

ARTICLE 7

CONDEMNATION

If the Mortgaged Property, or any part thereof, shall be condemned or otherwise taken for public or quasi-public use under the power of eminent domain, or be transferred in lieu thereof, all damages or other amounts awarded for the taking, or injury to, the Mortgaged Property shall be paid to Beneficiary, and Beneficiary shall apply and disburse the proceeds as provided in the Credit Agreements.

ARTICLE 8

SECURITY AGREEMENT

8.1 Security Interest. This Deed of Trust shall be construed as a Deed of Trust on a leasehold interest in real property and it shall also constitute and serve as a security agreement on personal property within the meaning of and shall constitute a first and prior security interest under the Texas Business and Commerce Code (Article 9 - Secured Transactions) with respect to the Personal Property and Fixtures. Grantor has granted, bargained, conveyed, assigned, transferred, and set over, and by these presents does grant, bargain, convey, assign, transfer, and set over unto Beneficiary a first and prior security interest in and to all of Grantor's right, title, and interest in, to, and under the Personal Property and Fixtures to secure the full and timely payment of the Secured Obligations and the full and timely performance and discharge of the Grantor's obligations under this Deed of Trust.

8.2 Financing Statements. Grantor shall execute and deliver to Beneficiary, in Acceptable Form, such financing statements and such further assurances as Beneficiary may, from time to time, consider reasonably necessary to create, perfect, and preserve the security interest herein granted, and Beneficiary may cause such statements and assurances to be recorded and filed at such times and places as may be required or appropriate by Applicable Law to so create, perfect, and preserve such security interest. This Deed of Trust shall be effective as a financing statement filed as a fixture filing from the date of its filing for record covering the Fixtures and Personal Property. The addresses of Grantor, as Debtor, and Beneficiary, as Secured Party, are set forth on the cover page of this Deed of Trust.

8.3 Uniform Commercial Code Remedies. The Trustee and Beneficiary shall have all the rights, remedies, and recourses with respect to the Personal Property, Fixtures, Leases, and Rents afforded a secured party by the Applicable Law.

8.4 No Obligation of the Trustee or Beneficiary. The assignment and security interest herein granted shall not be construed to (a) deem or constitute the Trustee or Beneficiary, as trustees in possession of the Mortgaged Property, (b) obligate the Trustee or Beneficiary to operate or attempt to operate the Mortgaged Property, or (c) obligate the Trustee or Beneficiary to take any action, incur any expenses, or perform or discharge any obligation, duty, or liability whatsoever under any of the Leases or otherwise.

ARTICLE 9

TRUSTEE

9.1 No Liability. The Trustee shall not be liable for any error or judgment or act done by the Trustee or be otherwise responsible or accountable under any circumstances whatsoever other than the Trustee's own gross negligence, willful misconduct, violation of law or fraud. The Trustee shall not be personally liable for any damages resulting from entry on the Mortgaged Property by the Trustee or anyone acting by virtue of the powers granted the Trustee under this Deed of Trust, or for debts contracted or

liability or damages incurred in the management or operation of the Mortgaged Property. The Trustee shall have the right to rely on any instrument, document, or signature authorizing or supporting any action taken or proposed to be taken by him hereunder and believed by him in good faith to be genuine. The Trustee shall be entitled to reimbursement for reasonable expenses incurred in the performance of the Trustee's duties under this Deed of Trust and to reasonable compensation for services rendered under this Deed of Trust. Grantor will, from time to time, reimburse the Trustee for and save and hold the Trustee harmless from and against any and all loss, cost, liability, damage and expense whatsoever incurred in the performance of the Trustee's duties other than those arising from his own gross negligence, willful misconduct, violation of law or fraud.

9.2 Retention of Monies. All monies received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated in any manner from any other monies (except to the extent required by Applicable Law), and the Trustee shall be under no liability for interest on any monies received hereunder.

9.3 Successor Trustee. The Trustee may resign by the giving of notice of such resignation in writing to Beneficiary. If the Trustee shall die, resign, or become disqualified from acting in the execution of this Trust or shall fail or refuse to exercise the same when requested by Beneficiary so to do or if for any reason and without cause Beneficiary shall prefer to appoint a substitute trustee to act instead of the original Trustee named herein, or any prior successor or substitute trustee, Beneficiary shall have full power to appoint a substitute trustee and, if preferred, several substitute trustees in succession who shall succeed to all the estate, rights, powers and duties of the Trustee without other formality than designating the successor or substitute Trustee in writing.

9.4 Succession Instruments. Any new Trustee appointed pursuant to any of the provisions of this Deed of Trust shall, without any further act, deed, or conveyance, become vested with all the estates, properties, rights, powers, and trusts of its or his or her predecessor in the rights hereunder with like effect as if originally named as the Trustee herein; but, nevertheless, upon the written request of Beneficiary, or any acting successor trustee, the Trustee ceasing to act shall execute and deliver an instrument transferring to such successor trustee, upon the trust herein expressed, all the estates, properties, rights, powers, and trusts of the Trustee so ceasing to act, and shall duly assign, transfer, and deliver any of the property and monies held by the Trustee to the successor trustee so appointed.

9.5 Performance of Duties by Lenders. The Trustee may authorize one or more parties to act on his behalf to perform any ministerial functions required of the Trustee hereunder.

ARTICLE 10

MISCELLANEOUS

10.1 Survival of Obligations. All covenants, agreements, representations, and warranties made by Grantor in this Deed of Trust and the other Loan Documents shall survive the execution and delivery of this Deed of Trust and the other Loan Documents.

10.2 Covenants Running with the Land. All obligations contained in this Deed of Trust are intended by the parties to be and shall be construed as covenants running with the real property.

10.3 Recording and Filing. Grantor will cause the Loan Documents and all amendments and supplements thereto and substitutions therefor to be recorded, filed, re-recorded, and refiled in such manner and in such places as the Trustee or Beneficiary shall reasonably request and will pay all such recording, filing, re-recording and re-filing, taxes, fees, and other charges.

10.4 Notices. Any notice, request, or other communication required or permitted to be given hereunder shall be given at the addresses and in accordance with the notice provisions set forth in the Credit Agreements.

10.5 No Waiver. Any failure by the Trustee or Beneficiary to insist, or any election by the Trustee or Beneficiary, not to insist, upon strict performance by Grantor of any of the terms, provisions, or conditions of this Deed of Trust shall not be deemed to be a waiver of the same or of any other term, provision, or condition thereof, and the Trustee or Beneficiary shall have the right at any time or times thereafter to insist upon strict performance by Grantor of any and all of such terms, provisions, and conditions.

10.6 Limitation on Effectiveness of Lien. It is the intention of Grantor and Beneficiary that the amount of the Secured Obligations secured by this Deed of Trust shall be in, but not in excess of, the maximum amount permitted by fraudulent conveyance, fraudulent transfer or similar laws applicable as to Grantor. Accordingly, notwithstanding anything to the contrary contained in this Deed of Trust or any other agreement or instrument executed in connection with the payment of any of the Secured Obligations, the amount of the Secured Obligations secured by this Deed of Trust shall be limited to that amount which after giving effect thereto would not (a) render Grantor insolvent, (b) result in the fair saleable value of the assets of Grantor being less than the amount required to pay its debts and other liabilities (including contingent liabilities) as they mature, or (c) leave Grantor with unreasonably small capital to carry out its business as now conducted and as proposed to be conducted, including its capital needs, as such concepts described in (a), (b), and (c) herein are determined under Applicable Law, if the obligations of Grantor hereunder would otherwise be set aside, terminated, annulled or avoided for such reason by a court of competent jurisdiction in a proceeding actually pending before such court.

10.7 Governing Law. This Deed of Trust must be construed, and its performance enforced, under Texas law.

10.8 Multiple Counterparts and Facsimile and PDF Signatures. This Deed of Trust may be executed in any number of counterparts with the same effect as if all signatories had signed the same document. All counterparts must be construed together to constitute one and the same instrument. Loan Documents may be signed and transmitted by facsimile, portable document format (PDF), or other electronic means, and shall have the same effect as manually-signed originals and shall be binding on all parties.

10.9 Waiver of Right to Trial by Jury. **EACH PARTY TO THIS AGREEMENT HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION ARISING UNDER ANY LOAN DOCUMENT OR IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO ANY LOAN DOCUMENT, OR THE TRANSACTIONS RELATED THERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER FOUNDED IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY, AND THAT ANY PARTY TO THIS AGREEMENT MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE SIGNATORIES HERETO TO THE WAIVER OF THEIR RIGHT TO TRIAL BY JURY.**

10.10 Entirety. **THIS DEED OF TRUST, THE CREDIT AGREEMENTS, AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN THE**

PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS BY THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES.

10.11 Non-Merger Provisions. In the event that Grantor shall become the owner and holder of the fee title to the Leased Premises or any other estate, title or interest in the property demised by the Ground Leases, or any part thereof, causing the leasehold estate created by the Ground Lease to merge into the fee title to the Leased Premises, the lien of this Deed of Trust shall attach to, cover and be a lien upon such fee title to the Leased Premises or other acquired estate, title or interest and the same shall thereupon be and become a part of the Leased Premises with the same force and effect as if specifically encumbered herein. Grantor agrees, at its sole cost and expense, including, without limitation, payment by Grantor of Secured Party's reasonable attorneys' fees, to (i) execute any and all documents or instruments which Secured Party may reasonably require to subject the fee title to the Leased Premises or such other acquired estate, title or interest to the lien of this Deed of Trust; and (ii) provide a title insurance policy which shall insure that the lien of this Deed of Trust is a first lien on the fee title to the Leased Premises or such other acquired estate, title or interest. Furthermore, if an Event of Default occurs and continues beyond any applicable notice and cure period, Grantor hereby appoints Secured Party its true and lawful attorney-in-fact to execute and deliver all such instruments and documents in the name and on behalf of Grantor. This power, being coupled with an interest, shall be irrevocable as long as the Secured Obligations secured hereby remain unpaid.

[Signature and acknowledgement appear on following page.]

IN WITNESS WHEREOF, this Deed of Trust is executed on the date set forth in the notary acknowledgment below, but is to be effective for all purposes as of the date first set forth in the preamble to this Leasehold Deed of Trust.

GRANTOR:

SYKES-VAUGHAN INVESTMENTS LLC,
a Texas limited liability company

By: _____
Justin Sykes, Manager

By: _____
J. Micheal Sykes, Manager

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on [*], 2025, by Justin Sykes and J. Micheal Sykes, Managers of Sykes-Vaughan Investments LLC, a Texas limited liability company, on behalf of said company, and for the purpose and consideration herein stated.

Notary Public in and for the
State of Texas

EXHIBIT A
TO DEED OF TRUST

LEGAL DESCRIPTION

All that certain tract or parcel of land situated in the William Neil Survey, Abstract Number 970, and being a part of Lot One, Block One, of the Southeast Airport Addition, in the City of Denton, Denton County, Texas, and filed for record in CAB. G, PG. 295 Plat Records of Denton County, Texas.

Commencing at the most westerly southwest corner of said Lot One, Block One, Southeast Airport Addition, of which the northwest corner bears north 08 degrees 36 minutes 21 seconds east a distance of 1610.27 feet.

THENCE north 08 degrees 36 minutes 21 seconds east with the west boundary line of said Lot One, Block One, a distance of 936.47 feet to a point in the west line of said Southeast Airport Addition.

THENCE south 88 degrees 36 minutes 10 seconds east a distance of 373.28 feet to an iron pin set for the northwest of the herein described tract. Said point also being the northeast corner of a 60 feet access, drainage, and utility easement, and the point of beginning of the herein described tract;

THENCE south 88 degrees 36 minutes 10 seconds east with the south line of a 130 feet taxiway, drainage, and utility easement a distance of 180.00 feet to an iron pin set for the northeast corner of the herein described tract;

THENCE south 01 degrees 23 minutes 50 seconds west a distance of 180.00 feet to an iron pin set for the southeast corner of the herein described tract, said iron pin being in the north line of 60 feet access, drainage, and utility easement;

THENCE north 88 degrees 36 minutes 10 seconds west with the north line of said access easement a distance of 180.00 feet to an iron pin set for the southwest corner of the herein described tract;

THENCE north 01 degrees 36 minutes 50 seconds east with said 60 feet access easement a distance of 180.00 feet to the point of beginning and containing 32,400.00 square feet or 0.7438 acres of land.

Together with the right of ingress and egress to said property; and the right in common with others so authorized of passage upon the Airport property generally, subject to reasonable regulations by the City of Denton and such rights shall extend to Lessee's employees, passengers, patrons and invitees. For purposes of this agreement, the term "Premises" shall mean all property located within the metes and bounds described and identified above, including leasehold improvements constructed by the Lessee, but not including certain easements or property owned or controlled by the Lessor.