MAXIMUM PRINCIPAL INDEBTEDNESS FOR TENNESSEE RECORDING TAX PURPOSES IS $2,325,000.00

THIS INSTRUMENT PREPARED BY:
WHITE & REASOR, PLC (CBRJR)
3305 WEST END AVENUE
NASHVILLE, TENNESSEE 37203

ADDRESS NEW OWNER:	SEND TAX BILLS TO:	MAP AND PARCEL NOS.
BIBISCO PARTNERSHIP c/o Tri City Rentals Stuyvesant Plaza 2 Tower Place Executive Park South Albany, New York 12203	Hillwood Villa Associates, LLC 17047 Boca Club Blvd. Apartment 146A Boca Raton, FL 33487	Map: 103-01 Parcels: 25 and 150

INSTALLMENT DEED WITH ASSIGNMENT OF LEASES AND SECURITY AGREEMENT

FOR AND IN CONSIDERATION OF the sum of TWO MILLION NINE HUNDRED FIVE THOUSAND AND NO/100 ($2,905,000.00) DOLLARS, of which FIVE HUNDRED EIGHTY THOUSAND AND NO/100 ($580,000.00) DOLLARS has been paid in cash, the receipt of which is hereby acknowledged, and for the remainder of TWO MILLION THREE HUNDRED TWENTY-FIVE THOUSAND AND NO/100 ($2,325,000.00) DOLLARS, BIBISCO PARTNERSHIP, a Tennessee general partnership ("Grantee" or "Borrower" as the context may require) has this day executed and delivered to HILLWOOD VILLA ASSOCIATES, LLC, a Tennessee limited liability company ("Grantor" or "Lender" as the context may require) a Wraparound Installment Deed Note (the "Note") payable to the order of Lender evidencing an indebtedness for which a vendor's lien is expressly retained, Grantor has this day bargained and sold, and does hereby transfer and convey unto Grantee, its successors and assigns, certain improved real estate in Davidson County, Tennessee, described in Exhibit "A," which is attached hereto and incorporated herein by reference (the "Real Property").

STATE OF NEW YORK
COUNTY OF ALBANY

The actual consideration or value, whichever is greater, for this transfer is $2,905,000.00.

AFFIANT, Morris Massry, Special Manager of Bish Realty, L.L.C., General Partner of Grantee

Subscribed and sworn to before me this 27 day of October, 1999.

NOTARY PUBLIC

My Commission Expires:

PAUL J. GOLDMAN
Notary Public, State of New York
Qualified in Albany County
Reg. No. 4864023
Commission Expires 6/9/2002

This is improved property known as Hillwood Villa Apartments, 6319 Charlotte Pike, Nashville, Tennessee 37209.

TO HAVE AND TO HOLD, the Real Property with the appurtenances, estate, title, and interest thereto belonging to Grantee, its successors and assigns, forever.

Grantor further covenants and binds itself, its successors and assigns, to warrant and forever defend the title to the Real Property to Grantee, its successors and assigns, against

the lawful claims of all persons claiming by, through or under Grantor; provided, however, that this conveyance is made subject to those matters set forth in Exhibit "B," which is attached hereto and incorporated herein by this reference.

NOW, THEREFORE, for the purpose of securing the payment of the Secured Indebtedness, as hereinafter defined, and for the purpose of enforcement of the vendor's lien herein contained, Borrower, for valuable consideration, the receipt and sufficiency of which are hereby acknowledged, has this day bargained and sold, and does hereby transfer and convey unto CHARLES B. REASOR, JR., TRUSTEE ("Trustee"), a resident of Davidson County, Tennessee, and any and all successors in trust to Trustee, all of the following described real property, interests in real property, estates, easements, rights, improvements, fixtures, personal property and appurtenances thereunto:

THE REAL PROPERTY TOGETHER WITH any and all buildings, structures and other improvements now or hereafter located or erected on the Real Property and any and all materials, supplies, pre-fabricated construction components, machinery, apparatus, equipment and fixtures now or hereafter located on the Real Property, attached to, or used or procured for use or installation in connection with the construction, operation, or maintenance of any such improvements, including, but without limiting the generality of the foregoing, all equipment, furniture, furnishings, office equipment, canopies, signs, elevators, escalators, tanks, dynamos, motors, generators, switchboards, communications equipment, computer equipment, electrical equipment, television and radio systems, heating, plumbing, lifting and ventilating apparatus, air cooling and air conditioning apparatus, gas and electric fixtures, all building materials, component parts, and equipment now or hereafter delivered to the Real Property and intended to be installed therein or thereon, and all other machinery, apparatus, equipment and fixtures of every kind and description, and all additions, improvements, renewals and replacements thereof and articles in substitution thereof used or procured for use in the operation of any and all such buildings, structures and other improvements, whether or not the same are attached to said improvements in any manner, all of which to the extent allowed by law are hereby declared and shall be deemed to be fixtures and accessions to the freehold and part of the real estate, and all of which shall be deemed to be a portion of the security for the Secured Indebtedness, as hereinafter defined, and to be covered by this instrument (hereinafter collectively called the "Improvements") (the Real Property and the Improvements being sometimes hereinafter referred to collectively as the "Real Estate"). To the extent any of the Improvements are not deemed to be real estate under the laws of the State of Tennessee, the same shall be deemed to be personal property (hereinafter, together with all other personal property encumbered by this instrument, called "Personal Property"), the Borrower grants a security interest in such property to Lender, and this instrument shall also be a security agreement for the purpose of creating a security interest in such Personal Property and all additional personal property described below, whether now owned or hereafter acquired by Borrower, as hereinafter provided;

TOGETHER WITH all easements, rights-of-way, strips and gores of land, vaults, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, air rights, tenements, hereditaments and appurtenances of any nature whatsoever, now or hereafter in any way belonging, relating or appertaining to the Real Estate or any part thereof;

TOGETHER WITH all right, title and interest of Borrower, now owned or hereafter acquired, in and to any land lying within the bank or bed of any lake, pond, stream, creek, river, or other body of water located on or adjacent to the Real Property;

TOGETHER WITH all prepaid impact fees, sewer tap fees, utility deposits, stand-by letter of credit, payment and performance bonds, and other development fees, credits, and surety contracts associated with the Real Estate;

TOGETHER WITH all right, title and interest of Borrower, now owned or hereafter acquired, in and to any land lying within the right-of-way of any street, opened or proposed, adjoining the Real Estate, and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Real Estate;

TOGETHER WITH all other accounts receivable, general intangibles, contract rights, interests, estates, or other claims, both at law and in equity, which Borrower now has or may hereafter acquire in the Real Estate or in connection therewith, including, but not limited to the Escrow Account, as hereinafter defined (hereinafter collectively called the "Accounts");

TOGETHER WITH all the estate, right, title, interest and other claim or demand which Borrower now has or may hereafter acquire in any and all awards or payments made for the taking by eminent domain, together with interest thereon, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Real Estate, including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages (hereinafter collectively called the "Condemnation Awards");

TOGETHER WITH all proceeds of and any unearned premiums on any insurance policies maintained by Borrower (or in which Borrower has any interest) covering the Real Estate, including, without limitation, the right to receive and apply the proceeds of any insurance, judgments, or settlements made in lieu thereof, for damage to the Real Estate (hereinafter collectively called the "Insurance");

TOGETHER WITH all the estate, right, title, interest and other claim or demand which Borrower now has or may hereafter acquire against anyone with respect to any damage to all or any part of the Real Estate, including, without limitation, damage arising from any defect in or with respect to the design or construction of all or any part of the Improvements and any damage resulting therefrom (hereinafter collectively called the "Claims");

TOGETHER WITH all deposits or other security or advance payments, including rental payments made by or on behalf of Borrower to others, with respect to (i) insurance policies relating to all or any part of the Real Estate, (ii) utility service for all or any part of the Real Estate, (iii) cleaning, maintenance, repair or similar services for all or any part of the Real Estate, (iv) refuse removal or sewer service for all or any part of the Real Estate, (v) rental of equipment, if any, used in the operation by or on behalf of Borrower of all or any part of the Real Estate, and (vi) parking or similar services or rights afforded to all or any part of the Real Estate (hereinafter collectively called the "Payments");

TOGETHER WITH all remainders, reversions, leasehold estate, right, title and interest of Borrower in and to all leases and subleases covering the Real Estate or any portion thereof now or hereafter existing or entered into, and in and to all related

lease guaranties, including, without limitation, all cash or security deposits, advance rentals and deposits or payments of similar nature (hereinafter collectively called the "Leasehold Estate"); and

TOGETHER WITH all rents, issues, profits, income and other revenues now or in the future derived from the Real Estate (hereinafter collectively called the "Rents").

The foregoing Real Property, Improvements, Real Estate, Personal Property, Accounts, Condemnation Awards, Insurance, Claims, Payments, Leasehold Estate, Rents and rights therein, hereinabove described or mentioned, and all proceeds thereof, are hereafter collectively referred to as the "Secured Property."

TO HAVE AND TO HOLD the Secured Property unto Trustee and the successors and assigns of Trustee in trust for the proper use, benefit and advantage of Lender forever, subject to the terms, covenants and conditions herein.

HOWEVER, this conveyance is made IN TRUST for the following uses and trust, and for no other purposes, to wit:

To secure the payment of the indebtedness evidenced by the Note together with interest thereon from the date hereof at the rate set forth in the Note, payable as provided in the Note.

This instrument is to secure any and all indebtedness evidenced by the Note, and any extensions, substitutions, modifications, and/or renewals thereof, any notes given in payment of principal or interest, and all other indebtedness of whatever kind or character owing or which may hereafter become owing by Borrower to Lender, whether such indebtedness is direct or indirect, primary or secondary, fixed or contingent, or arises out of or is evidenced by a note, deed of trust, endorsement, surety agreement, guaranty or otherwise, and all attorneys' fees, court costs, and expenses of whatever kind incident to the collection of any of said indebtedness and/or the enforcement and/or protection of the lien of this conveyance, including, but not limited to, any and all advances made by Lender to protect or preserve the Secured Property, or the lien created hereby on the Secured Property, or for taxes or insurance premiums as hereinafter provided, or for any additional amounts which Borrower is required to pay hereunder, or which amounts may be advanced by Lender hereunder (all collectively sometimes hereinafter referred to as the "Secured Indebtedness").

THIS INSTRUMENT SECURES OBLIGATORY ADVANCES MADE FOR COMMERCIAL PURPOSES.

THE HOLDER OF THE VENDOR'S LIEN CREATED BY THIS INSTRUMENT HAS NOT AND WILL NOT CONSENT TO ANY CONTRACT OR TO ANY WORK OR TO THE FURNISHING OF ANY MATERIALS WHICH MIGHT BE DEEMED TO CREATE A LIEN OR LIENS SUPERIOR TO

THE VENDOR'S LIEN OF THIS INSTRUMENT EITHER UNDER T.C.A. §66-11-108 OR OTHERWISE.

If Borrower shall pay the entire Secured Indebtedness when due, and there shall be no Event of Default, as defined hereunder, then this conveyance in trust shall cease, determine and be void, and shall be cancelable at the request and cost of Borrower, but it shall otherwise remain in full force and effect.

In order to protect more fully the security of this instrument, Borrower hereby covenants and agrees as follows:

ARTICLE I

1.01. Performance of Note and Other Loan Documents. Borrower will perform, observe and comply with all provisions hereof and of the Note, and will duly and punctually pay to Lender the principal of and interest on the indebtedness evidenced by the Note and all other charges, fees or sums required to be paid by Borrower pursuant to the provisions of this instrument, the Note, any guaranty thereof, any related assignments of rents and leases or other collateral assignments, any other instruments now or in the future given to evidence or further secure the payment and performance of any obligation secured hereby, and those documents given to secure the Underlying Indebtedness (as defined in the Note, which definition is incorporated herein by reference) which are described in paragraph 1 of Exhibit "B," hereto (the "SouthTrust Collateral Documents")(this instrument, the Note, the SouthTrust Collateral Documents and any such other instruments as may be referenced above being hereinafter referred to collectively as the "Loan Documents"). Any inconsistencies in the Loan Documents shall be construed in the manner most favorable to Lender, as Lender shall determine.

1.02. Warranty of Title. Borrower warrants that it is well seized of an indefeasible estate in fee simple in the Real Estate, has good and absolute title to all existing Personal Property hereby conveyed, and has good right, full power and lawful authority to convey the Secured Property in the manner aforesaid. Borrower warrants that the Secured Property is free and clear of all liens, charges and encumbrances whatsoever, including (as to the Personal Property and fixtures) security agreements, conditional sales contracts and anything of a similar nature, except for the Permitted Exceptions. Borrower will warrant and forever defend the title to the Secured Property against the claims of all persons claiming by, through or under Borrower.

1.03. Payment of Taxes, Assessments and Other Charges.

(a) Borrower will pay sixty (60) days prior to their due date and will promptly exhibit to Lender receipts for the payment of, all taxes, assessments, and other governmental charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever which at any time prior to or during the term of this instrument may be assessed, levied or imposed upon, or become a lien on, the Secured Property or any part thereof or any appurtenance thereto, as well as all income taxes, assessments and other governmental charges lawfully levied and imposed by the United Sates of America or any state, county, municipality, or other taxing authority upon Borrower or in respect of the Secured Property or any part thereof, or any charge which, if unpaid, would become a lien or charge upon the Secured Property prior to or on a parity with the lien of this instrument for any amounts secured hereby or would have priority over or equality with this instrument in distribution of the proceeds of any foreclosure sale of the Secured Property, or any part thereof

(all such taxes, assessments and other governmental charges, including penalties thereon, being hereinafter referred to collectively as "Impositions," and any one of the same being hereinafter referred to as an "Imposition"). Borrower shall have the right, before it becomes delinquent, to contest the amount or validity of any such Imposition by appropriate legal proceedings, but this right shall not be construed in any way to relieve, modify or extend Borrower's covenant to pay any such Imposition at the time and in the manner provided herein, unless Borrower has given prior written notice to Lender of Borrower's intent to so contest and unless, at Lender's sole option, (i) Borrower shall demonstrate to Lender's satisfaction that the legal proceedings shall conclusively operate to prevent the sale of the Secured Property or any part thereof to satisfy such Imposition prior to final determination of such proceedings, (ii) Borrower shall furnish a good and sufficient bond or surety as requested by and satisfactory to Lender, and/or (iii) Borrower shall have provided a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any proceedings to enforce such Imposition by sale of the Secured Property or any part thereof.

(b) If Borrower shall fail to pay any Imposition in accordance with the provisions of this Section 1.03, Lender may, at its option (but shall be under no obligation to do so), pay such Imposition; and Borrower will repay to Lender on demand any amount so paid by Lender, with interest thereon at the highest contractual rate of interest then allowed by applicable state or federal law, but in no event greater than a rate which is four (4%) percent per annum over the Effective Rate stated in the Note (hereinafter referred to as the "Default Rate"). The certificate, advice or bill of the appropriate official designated by law to make or issue the same, or to receive payment of any Imposition, on non-payment of such Imposition, shall be prima facie evidence that such Imposition is due and unpaid at the time of the making or issuance of such certificate, advice or bill.

(c) In the event of the passage after the date of this instrument of any law of the State of Tennessee, deducting from the value of the Secured Property or any part thereof any lien thereon for the purpose of taxation, or changing in any way the laws now in force for the taxation of this instrument or the indebtedness secured hereby for state or local purposes, or the manner of the operation of any such taxes so as to affect the interest of Lender, then, and in any such event, Borrower will bear and pay the full amount of such taxes; provided that, if for any reason payment by Borrower of any such new or additional taxes would be unlawful or if the payment thereof would constitute usury or render the indebtedness secured hereby wholly or partially usurious under any of the terms or provisions of the Note, or this instrument, or otherwise, Lender may, at its option, declare the whole sum secured by this instrument with interest thereon to be immediately due and payable, or Lender may, at its option, pay that amount or portion of such taxes as renders the indebtedness secured hereby unlawful or usurious, in which event Borrower will concurrently therewith pay the remaining lawful and non-usurious portion or balance of said taxes.

(d) Borrower will pay when due, and will not suffer to remain outstanding, any charges for utilities, whether public or private, with respect to the Secured Property.

1.04. Insurance.

(a) Borrower, at its sole cost and expense, will keep the Improvements and the Personal Property insured during the term of this instrument against loss or damage by fire, lightning, vandalism, and malicious mischief and against loss or damage by other risks now embraced by "all risk coverage," so called, with limits not less than Three Million and No/100 ($3,000,000.00) Dollars with an agreed amount replacement cost endorsement.

(b) Borrower, at its sole cost and expense, will maintain:

(i) comprehensive, commercial general liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Real Estate or in or about the adjoining streets, sidewalks and passageways, such insurance to afford protection during the term of this instrument of not less than One Million and No/100 ($1,000,000.00) Dollars per occurrence with an umbrella policy in excess of the then current single limit liability policy in the amount of Five Million and No/100 ($5,000,000.00) Dollars;

(ii) rent or business interruption insurance in an amount not less than twelve (12) months' gross income from the Secured Property, less normal expenses and charges which do not continue during the period of untenantability, the proceeds of which insurance Borrower hereby assigns to Lender to be held as security for the payment of all sums due in connection with the Note and this instrument;

(iii) war risk insurance upon the Improvements as and when such insurance is obtainable from the United States of America or any agency or instrumentality thereof for the maximum amount of insurance obtainable;

(iv) such other insurance, including, without limitation, increases in the required amounts of liability insurance set forth above, as Lender may reasonably require from time to time, and extended coverage or all risk coverage in such amounts and in form and substance as may from time to time be reasonably required by Lender against other insurable hazards, including, but not limited to, windstorm, earthquake, nuclear reaction or radioactive contamination, which at the time are commonly insured against and generally available in the case of premises similarly situated, due regard being or to be given to the height and type of the Improvements, their location, construction, use and occupancy;

(v) if the Improvements should be determined to be in a flood hazard area, flood insurance on the Improvements in an amount equal to the lesser of the full insurable value thereof or the maximum amount of insurance obtainable;

(vi) insurance against loss or damage from (A) leakage of sprinkler systems, (B) leakage or spills relating to above-surface and underground storage tanks, and (C) explosion of steam boilers, air conditioning equipment, pressure vessels or similar apparatus now or hereafter installed in or on the Real Estate in such amounts as Lender shall from time to time require;

(vii) in the case of all employees of Borrower whose employment pertains to the Real Estate, worker's compensation insurance in such amounts as are required by law; and

insurance. (viii) non-owned automobile and drivers'

(c) Borrower will not carry separate insurance, concurrent in kind or form and contributing, in the event of loss, with any insurance required hereunder. Borrower may, however, effect for its own account any insurance not required under the provisions of this instrument, but any such insurance effected by Borrower on the Secured Property, whether or not required under this Section 1.04, shall be for the mutual benefit of Borrower, SouthTrust Bank, N.A. and Lender, as their respective interests may appear, and shall be subject to all other provisions of this Section 1.04.

(d) All insurance provided for in this Section 1.04 shall be effected under valid and enforceable policies issued by financially responsible insurers authorized to do business in the State of Tennessee, which such insurers and the amounts, forms, expiration dates and substance of such policies shall be acceptable to Lender. All such policies shall be deposited with and held by Lender and shall contain the New York Standard Non-contributory Mortgagee Clause or its equivalent in favor of Lender and SouthTrust Bank, N.A., as their respective interests may appear, and a waiver of subrogation endorsement, all in form and content satisfactory to Lender. All original policies shall contain a provision that such policies will not be canceled or materially amended, without at least thirty (30) days' prior written notice to Lender and SouthTrust Bank, N.A. Without limitation, any amendment reducing the scope or limits of coverage shall be deemed material. Not less than thirty (30) days prior to the expiration dates of the expiring policies theretofore furnished pursuant to this Section 1.04, originals of renewal policies satisfactory to Lender shall be delivered by Borrower to Lender and SouthTrust Bank, N.A. Borrower will deliver to Lender receipts evidencing the payment for all such insurance policies and renewals. The delivery of the insurance policies shall constitute an assignment as further security of all unearned premiums. In the event of the foreclosure of this instrument or any other transfer of title to the Secured Property in extinguishment of the Secured Indebtedness, all right, title and interest of Borrower in and to all insurance policies then in force shall pass to the purchaser or grantee by operation of this instrument.

(e) In the event Borrower fails to provide, maintain, keep in force or deliver and furnish to Lender and SouthTrust Bank, N.A. the original policies of insurance required by this Section 1.04, Lender may, at its sole option (but shall be under no obligation to do so), procure such insurance and Borrower will pay all premiums thereon promptly upon demand by Lender with interest thereon at the Default Rate to the date of repayment and the same shall be secured by this instrument.

(f) After the happening of any casualty to the Secured Property or any part thereof, Borrower shall give prompt written notice thereof to Lender. Lender is hereby authorized and empowered, at its option, to settle, adjust or compromise any claims for loss, damage or destruction under any policy or policies of insurance, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payments for all such losses directly to SouthTrust Bank, N.A. and Lender jointly, instead of to Borrower and Lender jointly. In the event of any such damage or destruction, Lender shall have the option of applying all or part of the insurance proceeds, after deducting therefrom all reasonable expenses of collection and administration, including attorneys' fees, (i) to the indebtedness secured hereby, whether or not then

due, or (ii) to the repair or restoration of the Improvements or (iii) to cure any then current default under this instrument; or such sums may be paid over, at the option of Lender, either wholly or in part to Borrower to be used to repair or replace the damaged portions of the Secured Property or for any other purpose or object satisfactory to Lender without affecting the lien of this instrument for the full amount secured hereby before such payment took place. Nothing herein contained shall be deemed to excuse Borrower from repairing or maintaining the Secured Property as provided in Section 1.06 hereof or restoring all damage or destruction to the Secured Property, regardless of whether there are insurance proceeds available or whether any such proceeds are sufficient in amount. The application or release by Lender of any insurance proceeds shall not cure or waive any default under the provisions of this instrument or invalidate any act done pursuant to any notice of default.

1.05. Escrow Deposits. Notwithstanding the provisions of Sections 1.03 and 1.04, to secure further the payment of the Impositions and the premiums for the insurance hereinbefore referred to, Borrower will maintain a separate escrow account (the "Escrow Account") for the payment of Impositions and insurance premiums on the Secured Property. The Escrow Account may be used only for the payment of Impositions and insurance premiums and may not be used for repairs and replacements or for any other purpose. On the due date of each monthly installment of interest under the Note, Borrower will make a deposit into the Escrow Account in an amount equal to one-twelfth (1/12) of the annual charges estimated by Lender to be necessary to pay the Impositions on or before December 31 of each calendar year and all such insurance premiums at least thirty (30) days prior to the due date therefor. Monthly installments of interest under the Note will be accompanied by copies of deposit slips into the Escrow Account, and Borrower will provide Lender copies of all checks drawn upon the Escrow Account or withdrawals from the Escrow Account along with the next scheduled installment of interest under the Note. If the balance of the Escrow Account is insufficient to pay the Impositions and insurance premiums in full as the same become payable, Borrower will pay nevertheless the Impositions and insurance premiums in full. If the balance of the Escrow Account is in excess of the amount necessary to pay the Impositions and insurance premiums in full as the same become payable, such excess may be withdrawn by Borrower, but under no circumstances shall such withdrawal render the balance of the Escrow Account insufficient to comply with this Section 1.05.

1.06. Care and Use of Real Estate.

(a) Borrower, at its sole cost and expense, will preserve and maintain the Secured Property in good order and condition, and make all necessary repairs thereto, interior and exterior, structural and nonstructural, ordinary and extraordinary, foreseen and unforeseen, and will not commit or suffer to be committed any waste of the Secured Property. Borrower will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Secured Property or any part thereof. When used in this Section 1.06(a), the term "repair" shall include all necessary renewals and replacements. All repairs made by Borrower shall be made with first-class material and in a good, substantial and workmanlike manner and shall be equal or better in quality and class to the original work.

(b) Borrower shall have the right, at any time and from time to time, to remove and dispose of furniture, furnishings, fixtures, machinery, equipment or appurtenances which may have become worn out, obsolete, unfit or unnecessary for use in the

operation of the Secured Property; provided that the removed items are promptly replaced with other furniture, furnishings, fixtures, machinery, equipment or appurtenances of equal value and serviceability, free of superior title, liens and claims, which shall, without further action, be subject to the lien of this instrument.

(c) Borrower will notify Lender, in writing, promptly of any damage to the Secured Property by fire or any other cause.

(d) Borrower will promptly comply with all present and future laws, ordinances, orders, rules, regulations and requirements of all federal, state and municipal governments, courts, departments, commissions, boards and officers, and any national or local board of fire underwriters. Without limitation, Borrower will comply with all zoning, building code, environmental protection, and equal employment opportunity statutes, ordinances, regulations, orders and restrictions, which may be applicable to the Secured Property or any part thereof.

(e) Borrower shall have the right, after prior written notice to Lender, to contest by appropriate legal proceedings diligently conducted in good faith, without cost or expense to Lender, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature referred to in Section 1.06(d) above, and which does not subject Lender to any civil or criminal liability, subject to the following:

(i) If by the terms of any such law, ordinance, order, rule, regulation or requirement, compliance therewith pending the prosecution of any such proceeding may legally be delayed without incurring any lien or charge of any kind against the Secured Property, Borrower may delay compliance therewith until the final determination of such proceeding.

(ii) If any lien or charge against the Secured Property would be incurred by reason of any delay in compliance, Borrower, nevertheless, may contest or delay Borrower's compliance, as contemplated above, provided that Borrower (A) furnishes to Lender security, satisfactory to Lender, against any loss or injury by reason of such contest or delay, and (B) prosecutes the contest with due diligence.

Anything in this Section 1.06(e) to the contrary notwithstanding, if the contesting of the validity or legality of any such law, ordinance, rule, regulation or requirement shall cause a breach of any of the terms, conditions or covenants of any lease on Borrower's part, as lessor therein, to be performed, then Borrower shall not have the right to contest the same as herein provided but compliance therewith must be made pursuant to Section 1.06(d) hereof.

(f) Borrower will promptly perform and observe, or cause to be performed or observed, all of the terms, covenants and conditions of all instruments of record affecting the Secured Property, non-compliance with which may affect the priority of the lien of this instrument, or which may impose any duty or obligation upon Borrower or any lessee or other occupant of the Secured Property or any part thereof, and Borrower will 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 Secured Property.

(g) Borrower will not demolish, remove, construct, restore, add to or alter any Improvements on the Secured Property (including landscaped areas) or the on-site paved parking area, nor consent to or permit any such demolition, removal, construction, restoration, addition or alteration, without Lender's prior written consent.

(h) Borrower will grant no parking rights in the Secured Property other than those provided for in leases with tenants occupying space within the Improvements now or hereafter entered into, except with Lender's prior written consent. If any part of the automobile parking areas included within said Secured Property is taken by condemnation, or by conveyance to the condemning authority under threat of condemnation, or before said areas are otherwise reduced, Borrower will provide parking facilities in kind, size and location to comply with all leases, and before making any contract therefor will furnish to Lender satisfactory assurance of completion thereof free of liens and in conformity with all governmental zoning ordinances and regulations.

(i) Lender or its representative is hereby authorized to enter upon and inspect the Secured Property at all reasonable times upon reasonable written notice to Borrower prior to entry. Without limitation, Lender, its agents, or contractors may enter upon the Secured Property for the purpose of conducting such environmental and other investigative inspection and testing as Lender deems appropriate, including, without limitation, invasive testing of soils, groundwater, or building materials, provided that such work does not disrupt the business operations.

(j) Borrower will discharge, pay or bond, or cause to be discharged, paid or bonded, from time to time when the same shall become due, all lawful claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in, or permit the creation of, a lien on the Secured Property or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom. Borrower will do or cause to be done everything necessary so that the lien of this instrument shall be fully preserved, at the cost of Borrower, without expense to Lender.

(k) Borrower will use, or cause to be used, the Secured Property principally and continuously as and for a first-class apartment project . Borrower will not use, or permit the use of, the Secured Property for any other principal use without the prior written consent of Lender.

(l) Borrower shall not record or establish any plan of subdivision for the Real Estate or seek any planned unit development plan approval for the Real Estate from any zoning authority without the prior written consent of Lender. Nor will Borrower amend or modify in any respect any existing zoning classification or subdivision plan affecting the Real Estate without the prior written consent of Lender.

(m) Borrower shall not impose or allow to be imposed upon the Real Estate or any portions thereof, any easements, restrictions, covenants, or conditions, by recorded document, or otherwise, without the prior written consent of Lender; and no portions of the Real Estate shall be released from the lien of this instrument until such time as easements, covenants, conditions, and restrictions satisfactory to Lender have been imposed upon such portions of the Real Estate.

(n) Borrower covenants to give Lender prompt written notice of (i) the creation or discovery of any material

additional contingent liability or of the occurrence of any other material adverse change in the financial condition of Borrower, or of any guarantor or other person or entity presently or hereafter liable for payment of all or part of the Secured Indebtedness, and (ii) of the occurrence of any event, or presence of any condition, which constitutes an Event of Default hereunder, or which, with the giving of notice, the passing of time, or both, would constitute such an Event of Default.

1.07. Books, Records and Financial Statements.

(a) Borrower will keep and maintain or will cause to be kept and maintained complete and accurate books and records of the earnings and expenses of the Secured Property. Borrower covenants to furnish to Lender, from time to time, upon reasonable written notice, copies of Borrower's tax returns and such additional financial statements as Lender may reasonably require, in form and substance acceptable to Lender. Borrower shall provide at least quarterly, within thirty (30) days after each calendar quarter, an updated balance sheet, income statement, and other financial statements required by Lender in such detail as Lender may require. Such financial statements shall be either (i) certified under oath by all general partners of Borrower, or (ii) audited by a certified public accountant acceptable to Lender. Borrower shall also supply Lender such additional financial information as Lender may reasonably request. Lender may require that any accountant who reviews, compiles or certifies such financial statements expressly acknowledge Lender's reliance thereon.

In addition to any other financial reporting requirements set forth herein or in any other document relating to the Secured Indebtedness, Borrower will, without expense to Lender, furnish to Lender within ninety (90) days after the end of each fiscal year of Borrower, an annual operating statement certified by a general partner of Borrower which shall include: (i) a statement of the source and application of funds by Borrower with respect to the Secured Property and (ii) a detailed profit and loss statement relating to the ownership and operation of the Secured Property, including without limitation all rents and other income derived therefrom and all expenses paid or incurred in connection therewith.

(b) Lender or its representative shall have the right, upon five (5) days' prior written notice, to examine and make copies of Borrower's books and records, all supporting vouchers and data, and income tax returns with reference to the Secured Property, either at the Real Estate or at Borrower's principal place of business, for the purpose of verifying any financial information furnished to Lender with respect to the Secured Property.

1.08. Condemnation.

(a) In the event that the Secured Property, or any part thereof, shall be damaged or taken through condemnation proceedings or by exercise of any right of eminent domain (which shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness hereby secured shall, at the option of Lender, become immediately due and payable. Lender shall have the right to participate in any such condemnation proceedings and all compensation, awards and other payments or relief therefor are hereby assigned to Lender and shall be deposited with Lender and disbursed in the manner set forth in this Section 1.08. Borrower will give Lender immediate written notice

of the actual or threatened commencement of any condemnation proceedings affecting: (i) all or any part of the Secured Property, (ii) severance and consequential damage to the remainder of the Secured Property, and (iii) any change in grade of streets abutting the Secured Property, and will deliver to Lender copies of any and all papers served in connection with any such proceedings.

Notwithstanding the foregoing, Lender is hereby authorized, at its option, to commence, appear in and prosecute, in its own or Borrower's name, any action or proceeding relating to any such condemnation and to settle or compromise any claim in connection therewith. No settlement for the damages sustained thereby shall be made by Borrower without Lender's prior written approval thereof. Borrower agrees to execute any and all further documents that may be required in order to facilitate the collection of any award or awards and the making of any such deposit.

(b) After deducting from said condemnation proceeds all expenses of Borrower and Lender incurred in the collection and administration of such sums, including attorneys' fees, Lender may apply the net proceeds or any part thereof, at its option, either toward restoring the Secured Property, or as a credit on any portion of the indebtedness evidenced by the Note selected by it, whether then matured or to mature in the future, or for any other purpose or object satisfactory to Lender, all without affecting the lien of this instrument.

(c) If, prior to Lender's receipt of such award or payment, the Secured Property shall have been sold on foreclosure of this instrument, Lender shall have the right to receive said award or payment to the extent that any portion of the Secured Indebtedness is still unpaid after application of the proceeds of the foreclosure sale, with interest thereon, plus reasonable attorneys' fees, costs and disbursements incurred by Lender in connection with the collection of such award or payment and in establishing the deficiency.

1.09. Leases and Other Agreements Affecting Secured Property. Borrower will duly and punctually perform all terms, covenants, conditions and agreements binding upon it under any lease or any other agreement of any nature whatsoever which involves or affects the Secured Property or any part thereof. Borrower will at the request of Lender furnish Lender with executed copies of all leases now or hereafter affecting the Secured Property. All leases now or hereafter entered into will be in form and substance subject to the approval of Lender, which shall not be unreasonably withheld. Except for apartment unit leases entered into, modified, surrendered, terminated, assigned, or sublet in the ordinary course of business, Borrower will not, without the express written consent of Lender, enter into any lease of the Secured Property or any portion thereof, or modify, surrender, or terminate, either orally or in writing, any lease now existing or hereafter created upon the Secured Property or any part thereof. Borrower will not accept payment of rent more than one (1) month in advance without the express written consent of Lender. In order to further secure payment of the Secured Indebtedness and the timely observance, performance and discharge of Borrower's obligations to Lender, Borrower hereby assigns, transfers and sets over to Lender all of Borrower's right, title and interest in, to and under all leases now or hereafter affecting the Secured Property or any part thereof, and in and to all of the rents, issues, profits, revenues, awards and other benefits now or hereafter arising from the use and enjoyment of the Secured Property or any part thereof. Unless and until an Event of Default occurs hereunder, Borrower shall be entitled to collect the rents, issues, profits, revenues, awards

and other benefits of the Secured Property (except as otherwise provided in this instrument) as and when they become due and payable. Lender shall be liable to account only for rents, issues, profits, revenues, awards and other benefits of the Secured Property actually received by Lender pursuant to any provisions of this instrument.

1.10. Further Assurances.

(a) At any time, and from time to time, upon request by Lender, Borrower will make, execute and deliver to Lender and, where appropriate, cause to be recorded and/or filed in such offices and places as shall be deemed desirable by Lender, any and all such other and further deeds of trust, security agreements, financing statements, continuation statements, instruments, certificates and documents as may, in the opinion of Lender, be necessary or desirable in order to effectuate, complete, enlarge or perfect, or to continue and preserve (a) the obligations of Borrower under the Note and the other Loan Documents and (b) the lien of this instrument upon all of the Secured Property, whether now owned or hereafter acquired by Borrower. Upon any failure by Borrower so to do, Lender may make, execute, record, file, re-record and/or refile any and all such deeds of trust, security agreements, financing statements, continuation statements, instruments, certificates and documents for and in the name of Borrower, and Borrower hereby irrevocably appoints Lender the agent and attorney-in-fact of Borrower so to do. Borrower will reimburse Lender for any sums expended by Lender in making, executing and recording such instruments, certificates and documents. The lien hereof will automatically attach, without further act, to all after-acquired property attached to and/or used in the construction, maintenance or operation of the Secured Property or any part thereof.

(b) Borrower, upon ten (10) days' prior written notice, will furnish Lender with a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the indebtedness secured hereby and whether or not any off-sets or defenses exist against such principal and interest, and, if so, the particulars thereof.

(c) Borrower warrants that all Improvements and Personal Property (except for leased laundry equipment) now or hereinafter affixed to the Real Estate, placed thereon or used by Borrower in connection therewith are and will hereafter be owned by Borrower free from any prior liens or encumbrances and will not be the subject matter of any lease or other transaction whereby the ownership or any beneficial interest in any of said Improvements or Personal Property shall be held by any person or entity other than Borrower. Borrower covenants not to create or cause to be created any security interest covering any such Improvements or Personal Property as they may from time to time be replaced, other than the security interest created in favor of Lender. Nothing contained in this Section 1.10(c) shall be deemed to prohibit the acquisition of a leasehold interest in the Improvements by any lessee under an approved lease or to prohibit the leasing of laundry equipment or laundry room facilities in the ordinary course of business.

(d) Borrower shall do all things necessary to preserve and keep in full force and effect its existence, franchise, rights and privileges under the laws of the state of its formation and shall comply with all laws, ordinances, rules, regulations, orders and decrees of any governmental or quasi-governmental authority or court applicable to it.

(e) In addition to any other indemnities to Lender specifically provided in this instrument, Borrower will indemnify Lender and hold Lender harmless from and against any and all losses, liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges and expenses, including, without limitation, reasonable architects', engineers' and attorneys' fees and all disbursements which may be imposed upon, incurred or asserted against Lender by reason of: (i) the construction of the Improvements, (ii) any capital improvements, other work or thing done in, on or about the Secured Property or any part thereof, (iii) any use, non-use, misuse, possession, occupation, alteration, repair, condition, operation, maintenance or management of the Secured Property or any part thereof or any street, drive, sidewalk, curb, passageway or space comprising a part thereof or adjacent thereto, (iv) any negligence on the part of Borrower, any lessee under a lease, or their respective agents, contractors, servants, employees, licensees or invitees, (v) any accident, injury (including death) or damage to any person or property occurring in, on or about the Secured Property or any part thereof or in, on or about any street, drive, sidewalk, curb, passageway or space adjacent thereto, (vi) any default or Event of Default, as hereinafter defined, (vii) any lien or claim which may be alleged to have arisen on or against the Secured Property or any part thereof under the laws of the State of Tennessee, the Metropolitan Government of Nashville and Davidson County, or any other governmental or quasi-governmental authority, or any liability asserted against Lender with respect thereto, (viii) any tax attributable to the execution, delivery, filing or recording of this instrument, the Note, any lease, or any Loan Documents, or (ix) any contest permitted pursuant to the provisions of this instrument.

The obligations of Borrower under this Section 1.10(e) shall not in any way be affected by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Secured Property. If any claim, action, or proceeding is made or brought against Lender by reason of any event as to which Borrower is obligated to indemnify, then, upon demand by Lender, Borrower, at its sole cost and expense, will resist or defend such claim, action or proceeding in Lender's name, if necessary, by the attorneys for Borrower's insurance carrier (if such claim, action or proceeding is covered by insurance), otherwise by such attorneys as Lender shall approve. Notwithstanding the foregoing, Lender may engage its own attorneys in its reasonable discretion to defend it or to assist in its defense and Borrower will pay the reasonable fees and disbursements of such attorneys. The provisions of this Section 1.10 shall survive satisfaction of the Secured Indebtedness and/or enforcement of this instrument by foreclosure or deed in lieu of foreclosure.

1.11. Further Sales or Encumbrances.

Except for a master lease with Hillwood Villa Operating, LLC, a Tennessee limited liability company, and except for sales of portions of the Personal Property in the ordinary course of business for which replacements are promptly procured, in the event that Borrower shall, without the prior written consent of Lender, which may be given or denied in Lender's sole discretion, sell, convey, alienate, lease, mortgage or encumber the Secured Property or any part thereof, or any interest therein, or shall be divested of its title or any interest therein in any manner or way, whether voluntarily or involuntarily; or in the event of any merger, consolidation or dissolution affecting Borrower or any transfer or encumbrance of any interest in Borrower, without the prior written consent of Lender, in its sole discretion, then, in

any such event, the entire unpaid balance of the Secured Indebtedness and all accrued interest thereon shall become immediately due and payable, at the option of Lender. The provisions of this paragraph shall not apply to transfers of title or interest under any last will and testament or under any applicable law of descent.

1.12. Expenses.

Borrower will pay or reimburse Lender for all reasonable attorneys' fees, costs and expenses incurred by Lender in any proceeding involving the estate of a decedent, an insolvent or a bankrupt, or in any action, proceeding or dispute of any kind in which Lender is made a party, or appears as an intervenor or party plaintiff or defendant, affecting the Note, this instrument, Borrower, or the Secured Property, including, but not limited to, any exercise of the power of sale or judicial foreclosure as set forth in this instrument, any condemnation action involving the Secured Property, or any action to protect the security hereof or to alleviate the reasonable concern of Lender with the condition of the Secured Property, and any such amounts paid by Lender shall be added to the Secured Indebtedness and secured by the lien of this instrument. If this instrument is referred to attorneys for collection, foreclosure or for any cause set forth in Article II hereof, Borrower will pay all expenses incurred by Lender, including reasonable attorneys' fees and all costs of collection, together with all statutory costs, with or without the institution of an action or proceeding. All such sums, with interest thereon at the Default Rate shall be deemed to be secured by this instrument.

1.13. Right to Cure. Lender shall have the right to remedy any default or to appear in, defend, or bring any action or proceeding to protect its interest in the Secured Property or to foreclose this instrument or collect the Secured Indebtedness and the costs and expenses thereof (including reasonable attorneys' fees to the extent permitted by law) with interest as provided in this Section, shall be paid by Borrower to Lender upon demand. All such costs and expenses incurred by Lender in remedying such default or appearing in, defending, or bringing any such action or proceeding shall be paid by Borrower to Lender upon demand with interest at the Default Rate for the period after notice from Lender that such costs and expenses were incurred to the date of payment to Lender. All such costs and expenses incurred by Lender pursuant to the terms of this instrument, with interest, at the Default Rate shall be secured by this instrument.

1.14. Subrogation. Lender shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the indebtedness secured hereby.

1.15. No Tax Credits. Borrower will not claim or demand or be entitled to receive any credit or credits on the principal or interest payable under the terms of the Note or on any other sums secured hereby, for so much of the taxes, assessments or similar charges assessed against the Secured Property or any part thereof, as are applicable to the indebtedness secured hereby or to Lender's interest in the Secured Property. No deduction shall be claimed from the taxable value of the Secured Property or any part thereof by reason of the Note or this instrument.

1.16. Hazardous Waste. At its sole cost and expense, Borrower shall comply with all federal, state and local laws, rules and regulations and orders with respect to the discharge, treatment, storage, transportation, or removal of hazardous or

toxic wastes, materials, or substances or other environmentally regulated substances, including, without limitation, asbestos containing materials, petroleum and its by-products, and underground storage tanks; pay immediately when due the cost of removal of any such wastes, materials, or substances or other environmentally regulated substances; and keep the Secured Property free of any lien imposed pursuant to such laws, rules, regulations and orders. In the event Borrower fails to do so, after notice to Borrower and the expiration of any cure period permitted under the applicable law, rule, regulation or order, not to exceed sixty (60) days, Lender may declare this instrument to be in default and/or cause the Secured Property to be freed from the hazardous wastes, materials, or substances or other environmentally regulated substances. The cost of the removal shall become additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the Default Rate. Borrower shall give to Lender, its agents and employees, access to the Secured Property and hereby specifically grants to Lender a non-exclusive license, effective upon expiration of any applicable cure period, to remove the hazardous or toxic wastes, materials, or substances or other environmentally regulated substances. Borrower shall indemnify Lender and Trustee and hold Lender and Trustee harmless from and against all loss, cost, damage and expense (including, without limitation, attorneys' fees, consulting fees, and costs incurred in the investigation, defense and settlement of claims) that Lender or Trustee may incur as a result of or in connection with the assertion against Lender or Trustee of any claim relating to the presence, release, or removal of any hazardous or toxic wastes, materials, or substances referred to in this Section 1.16, or compliance with any federal, state or local laws, rules, regulations or orders relating thereto, even if such claim arises or is made after payment in full of the Secured Indebtedness and release of this instrument or after foreclosure sale of the Secured Property, deed in lieu of foreclosure, or any other conveyance thereof pursuant to the terms of this instrument; provided, however, the foregoing indemnity from Borrower shall apply only to claims for matters which were not in existence on the date of this instrument.

ARTICLE II

2.01. Events of Default. The terms "Event of Default" or "Events of Default", whenever used in this instrument, shall mean any one or more of the following events:

(a) if default shall be made in the timely payment of any installment of the principal of, or interest on, the Secured Indebtedness, any portion thereof, or any other sum which is payable hereunder within five (5) days after the same shall become due and payable as provided in the Note, this instrument, or elsewhere, which payment default is not cured within any applicable grace period; or

(b) if Borrower fails to observe or perform any other term, provision, covenant, condition or agreement in this instrument, which such failure is not cured within thirty (30) days after notice in writing thereof from Lender to Borrower or within such other cure period as may specifically be provided herein (no such cure period shall be allowed for failure to maintain insurance or failure to maintain the Real Estate in a safe condition); provided, however, the foregoing thirty (30) days' cure period shall be extended for a reasonable amount of time in the event Borrower is diligently attempting (on the basis of written proof from a third party) to cure the matter for which notice was given; or

(c) if Borrower fails to perform or observe any term, covenant, condition or agreement in the Loan Documents, and the failure is not cured within any applicable cure period; or

(d) if any warranty, representation, certification, financial statement or other information made or furnished at any time pursuant to the terms of this instrument or otherwise by Borrower, or by any person or entity nor or hereafter liable for any portion of the indebtedness secured by this instrument, shall prove to be materially false; or

(e) if Borrower or any guarantor or surety of Borrower, or any general partner of Borrower shall:

(i) apply for, consent to or acquiesce in the appointment of a receiver, trustee or liquidator of such party or of all or a substantial part of such party's assets, or the Secured Property or any interest in any part thereof [the term "acquiesce" includes, but is not limited to, the failure to file a petition or motion to vacate or discharge any order, judgement or decree providing for such appointment within thirty (30) days after the appointment]; or

(ii) file a voluntary petition in bankruptcy, or admit in writing such party's inability to pay such party's debts as they come due; or

(iii) make a general assignment for the benefit of creditors; or

(iv) file a petition or an answer seeking reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief for such party under the present or any future federal bankruptcy act or any other state or federal statute or law relative to bankruptcy, insolvency, or other relief for debtors; or

(v) file an answer admitting the material allegations of, or consent to, or default in answering, a petition filed against such party in any bankruptcy, reorganization or insolvency proceeding; or

(f) if an order shall be entered by a court of competent jurisdiction adjudicating Borrower or any guarantor or surety of Borrower or, any general partner of Borrower a bankrupt, which order shall continue unstayed and in effect for any period of forty-five (45) days (whether or not consecutive), unless such order is unappealable; or

(g) if an order, judgment or decree shall be entered by any court of competent jurisdiction adjudicating Borrower or any guarantor or surety of Borrower or any general partner of such party insolvent, approving a petition seeking reorganization or arrangement of such party, or appointing a receiver, trustee or liquidator for such party or of all or a substantial part of such party's assets, and such order, judgment or decree shall continue unstayed and in effect for any period of forty-five (45) days (whether or not consecutive).

2.02. Acceleration of Maturity. If an Event of Default shall have occurred, then the entire unpaid amount of the Secured Indebtedness with interest accrued thereon shall, at the option of Lender, become due and payable without notice or demand, time being of the essence of this instrument; and no omission on the part of Lender to exercise such option when entitled so to do shall be considered as a waiver of such right.

2.03. Rights of Trustee upon Default. If an Event of Default shall have occurred, then thereupon Trustee may do any one or more of the following:

(a) Trustee personally, or by his agents or attorneys, may enter into and upon all or any part of the Secured Property, and each and every part thereof, and may exclude Borrower, its agents and employees wholly therefrom without liability for trespass, damages or otherwise. Borrower agrees to surrender possession to Trustee on demand after the happening of any Event of Default. Trustee may use, operate, manage and control the Secured Property and conduct the business thereof, either personally or by his agents, employees, attorneys, independent contractors, or receivers. Upon each such entry, Trustee, at the expense of Borrower from time to time, either by purchase, repair or construction, may maintain and restore the Secured Property; may complete the construction of the buildings, structures and improvements, and in the course of such completion may make such changes in the contemplated or completed buildings, structures and improvements as he may deem desirable and may insure the same. From time to time, at the expense of Borrower, Trustee may make all necessary or proper repairs, renewals and replacements and such alterations, additions, betterments and improvements thereto and thereon as he may deem advisable. In every such case Trustee shall have the right to manage and operate the Secured Property and to carry on the business thereof and exercise all rights and powers of Borrower with respect thereto, either in the name of Borrower or otherwise, as Trustee shall deem best.

Trustee shall be entitled to collect and receive all earnings, revenues, rents, issues, profits and income derived from the Secured Property and every part thereof. After deducting the expenses of conducting the business thereof and of all maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements made by Trustee or Lender, and after deducting amounts necessary to pay for taxes, assessments, insurance and liens or other charges upon the Secured Property or any part thereof, as well as just and reasonable compensation for the services of Trustee and for all attorneys, counsel, agents, clerks, servants, and other employees by him properly engaged and employed, Trustee shall apply the moneys arising as aforesaid, first, to the payment of the unpaid indebtedness secured by this instrument and the interest thereon, when and as the same shall become payable, and in such order as Lender may determine, and, second, to the payment of any other sums required to be paid by Borrower hereunder.

(b) Trustee hereunder, or his agents or successors, may pay any sums in any form or manner deemed expedient by Lender to protect the security of this instrument or to cure any Event of Default other than payment of interest or principal on the Secured Indebtedness and may make any payment hereby authorized to be made according to any bill, statement or estimate furnished or procured from the appropriate public officer or the party claiming payment without inquiring into the accuracy or validity thereof. The receipt of any such public officer or party in the hands of Trustee shall be conclusive evidence of the validity and amount of items so paid, in which event the amounts so paid, with interest thereon from the date of such payment at the Default Rate shall be added to and become a part of the Secured Indebtedness and be immediately due and payable to Trustee. Trustee shall be subrogated to any encumbrance, lien, claim or demand, and to all the rights and securities for the payment thereof, paid or discharged by Trustee under the provisions hereof. Any such subrogation rights shall be additional and cumulative security to this instrument.

(c) Trustee hereunder, or his agents or successors, at the request of Lender, or the representatives or assigns of Lender, may foreclose this instrument. After giving notice of the time and place of sale, by publication of such at least three (3) different times in some newspaper published in Davidson County, Tennessee, the first of which publications shall be at least twenty (20) days previous to said sale, and on the day fixed and at the front door of the Davidson County Court House (the "Court House") (or at such other place as is usually and customarily used for the conduct of foreclosure sales), being the place fixed, Trustee, or his agents or successors, shall proceed to sell the Secured Property at public auction to the highest and best bidder for cash, and in bar of the statutory right of redemption, the equity of redemption, homestead, dower, curtesy, any elective share, and all other rights and exemptions of every kind, all of which are hereby expressly waived by Borrower.

Said sale may be adjourned, from time to time, by Trustee, or his agents or successors, at the Court House (or at such other place as is usually and customarily used for the conduct of foreclosure sales) on the date the sale is originally set, or at any adjournment of such date, and may be reset at a later date or dates by announcement without any additional publication.

In case of sale and/or any default under this instrument, the proceeds collected from any sale of the Secured Property may at the option of Lender be applied by Trustee as follows:

FIRST - To pay all costs, fees and charges in connection with this trust, including reasonable attorneys' and trustee's fees, and the expenses of any litigation and/or other matters which may arise relative to the execution, enforcement and/or protection of this instrument and the debt or debts secured by the same, including, without limitation, any taxes, liens or prior encumbrances of any nature whatsoever;

SECOND - To pay the debt or debts secured hereby, or any balance or balances thereof then remaining unpaid, applying such proceeds to payment first of interest and then to principal, in such order as Lender may determine;

THIRD - The residue to be paid to Borrower or its order, or the persons legally entitled thereto.

Upon default, as above provided, Trustee or Lender may, at their option, instead of foreclosing this instrument by advertisement and sale as hereinabove provided, institute appropriate proceedings of foreclosure in equity or at law. Upon the institution of such proceedings, Trustee or Lender shall, upon application therefor, without notice, be entitled to have a receiver appointed to enter into and take possession of the Secured Property, collect the earnings, revenues, rents, issues, profits and income therefrom and apply the same as the court may direct during the pendency of any such foreclosure proceedings. Whether or not such proceedings are instituted, Lender shall be entitled to the appointment of a receiver as a matter of right without notice and without the necessity of proving either the inadequacy of the security or the insolvency of Borrower or any other person who may be legally or equitably liable to pay the indebtedness secured by this instrument. Borrower and each such person shall be deemed to have waived such proof and to have consented to the appointment of such receiver. Should Lender or any receiver collect earnings, revenues, rents, issues, profits or income from the Secured Property, the moneys so collected shall not be substituted for payment of the Secured Indebtedness nor shall they be used to cure an Event of Default without the prior written consent of Lender.

Lender shall be liable to account only for net earnings, revenues, rents, issues, profits and income actually received by Lender.

Should the Secured Property be involved in any insolvency, receivership, bankruptcy, either voluntary or involuntary, or other proceedings affecting the possession of such Secured Property, it is further covenanted and agreed that Trustee named herein or Lender shall be entitled to all of the rents, issues and profits realized from any such proceedings, whether there be a default under this instrument, as above provided, or not, and such rents, issues and profits shall be deemed cash collateral.

Borrower further agrees that in case of any sale hereunder and by virtue of this trust, it and all persons holding under Borrower will at once surrender possession of the Secured Property, and will from that moment become and be the tenant at will of the purchaser(s) from and after the execution and delivery of a deed to the Secured Property, and removable by process as upon a forcible and unlawful detainer suit, hereby agreeing to pay such purchaser(s) the reasonable rental value of the Secured Property after such sale, providing further that such tenancy is to be terminated at the option of said purchaser(s).

2.04. Purchase by Lender. Upon any foreclosure sale, Lender may bid for and purchase the Secured Property and shall be entitled to apply all or any part of the indebtedness secured hereby as a credit to the purchase price.

2.05. Time of Essence. Borrower agrees that where, by the terms of any Loan Document, a day is named or a time fixed for the payment of any sum of money or the performance of any agreement, the time stated enters into the consideration and is of the essence of the whole contract.

2.06. Right to Sue. Lender shall have the right from time to time to sue for any sums, whether interest, principal or any installment of either or both, taxes, penalties, or any other sums required to be paid under the terms of this instrument, as the same become due, without regard to whether or not all of the Secured Indebtedness shall be due on demand, and without prejudice to the right of Trustee and/or Lender thereafter to enforce any appropriate remedy against Borrower, including an action of foreclosure, or any other action, for a default or defaults by Borrower existing at the time such earlier action was commenced. Lender's rights under this Section 2.06 shall not be impaired by reason of the fact that the Note is a non-recourse obligation of Borrower.

2.07. Rights Cumulative. The rights of Trustee and Lender, granted and arising under the clauses and covenants contained in this instrument and the Note, shall be separate, distinct and cumulative of other powers and rights herein granted and all other rights which such Trustee and such Lender may have at law or in equity. None of them shall be in exclusion of the others and all of them shall be cumulative to the remedies for collection of indebtedness, enforcement of rights under security deeds, and preservation of security as provided by law. No act of Trustee or Lender shall be construed as an election to proceed under any one provision herein or under the Note to the exclusion of any other provision, or an election of remedies to the bar of any other remedy allowed at law or in equity, anything herein or otherwise to the contrary notwithstanding.

2.08. Waiver of Rights. Borrower hereby waives and releases to the extent permitted by law (a) all benefits that might

accrue to Borrower by virtue of any present or future laws excepting the Secured Property, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale under execution from civil process, or extension of time for payment; (b) all benefits that might accrue to Borrower from requiring valuation or appraisement of any part of the Secured Property levied or sold on execution of any judgment recovered for the indebtedness secured by this instrument; (c) all notices not herein elsewhere specifically required, of Borrower's default or of Lender's exercise, or election to exercise, any option under this instrument; and (d) all equitable and statutory rights of redemption and exemption now existing or hereafter in effect. Borrower will not at any time insist upon, or plead, or in any manner whatever, claim or take any benefit or advantage of any stay or extension or moratorium law, any homestead exemption, and any other exemption from execution or sale of the Secured Property or any part thereof, whenever enacted, now or at any time hereafter in force, which may affect the covenants, terms and enforcement of this instrument; nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisal of the Secured Property or any part thereof, prior to any sale or sales thereof which may be made pursuant to any provision herein, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor after any such sale or sales, and to the extent permitted by law, claim or exercise any right under any statute heretofore or hereafter enacted to redeem the property so sold, or any part thereof; and Borrower hereby expressly waives all benefits or advantage of any such law or laws, and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to Lender, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. Borrower, for itself and all who may claim under it, waives and releases, to the extent that it lawfully may, all right to have the Secured Property marshaled. In case of a foreclosure sale of the Secured Property, Borrower waives its right, if any, to require that the Secured Property be sold as separate tracts and agrees that the same may be sold in one parcel, as an entirety or in such parcels, manner or order as Lender in its sole discretion may decide, any provision of law to the contrary notwithstanding.

2.09. Leases. Lender, at its option, is authorized to foreclose this instrument subject to the rights of any tenants of the Real Estate, whether such rights would otherwise be superior or subordinate to those of Lender hereunder, and the failure to make any such tenants parties to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted to be by Borrower, a defense to any proceedings instituted by Lender to collect the sums secured hereby or any deficiency remaining unpaid after the foreclosure sale of the Secured Property.

2.10. Discontinuance of Proceedings and Restoration of the Parties. In case Lender shall have proceeded to enforce any right, power or remedy under this instrument by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Lender, then and in every such case Borrower and Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Lender shall continue as if no such proceeding had been instituted.

2.11. Waiver. No delay or omission of Lender or of any holder of the Note to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by

this instrument to Lender may be exercised from time to time and as often as may be deemed expedient by Lender. No consent or waiver, expressed or implied, by Lender to or of any breach or default by Borrower in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the same or any other obligations of Borrower hereunder. Failure on the part of Lender to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Lender of its right hereunder or impair any rights, power or remedies consequent on any breach or default by Borrower.

If Lender (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment of any sums secured hereby; (c) waives or does not exercise any right granted herein or in the Note; (d) releases any part of the Secured Property from the lien of this instrument or otherwise changes any of the terms, covenants, conditions or agreements of the Note or this instrument; (e) consents to the filing of any map, plat or replat affecting the Secured Property; (f) consents to the granting of any easement or other right affecting the Secured Property; or (g) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under the Note, this instrument or any other obligation of Borrower or any subsequent purchaser of the Secured Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor; nor shall any such act or omission preclude Lender from exercising any right, power or privilege herein granted or intended to be granted in the event of any default then made or of any subsequent default, nor, except as otherwise expressly provided in an instrument or instruments executed by Lender, shall the lien of this instrument be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Secured Property, Lender, without notice, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Secured Property or the indebtedness secured hereby, or with reference to any of the terms, covenants, conditions or agreements hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any liabilities, obligations or undertakings.

ARTICLE III

3.01. Successors and Assigns. This instrument shall inure to the benefit of and be binding upon Borrower, Trustee, Lender and their respective heirs, executors, administrators, legal representatives, successors and assigns. The words "Borrower", "Trustee" and "Lender", whenever used herein, shall include the respective heirs, executors, administrators, legal representatives, successors and assigns of the parties hereto, and all those holding under any of them.

3.02. Terminology. The designation of the parties to this instrument in either the plural or singular shall be applied to mean either number, and where appropriate in the context hereof, shall mean any one or more of said parties, and the use of any pronoun herein shall include the masculine, feminine and neuter genders. The headings of the sections, paragraphs and subdivisions of this indenture are for the convenience of reference only, are not to be considered a part hereof and shall not limit or otherwise affect any of the terms hereof.

3.03. Severability. If fulfillment of any provision hereof or any transaction related hereto or to the Note, at the time performance of such provision shall be due, shall 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 operates or would operate to invalidate this instrument in whole or in part, then such clause or provision only shall be held for naught, as though not herein contained, and the remainder of this instrument shall remain operative and in full force and effect.

3.04. Departure from Terms. Any indulgence or departure at any time by Lender or Trustee from any of the provisions hereof, or of any obligations hereby secured, or failure to exercise rights and remedies shall not modify the same or relate to the future or waive future compliance therewith by Borrower.

3.05. Removal of Trustee. Lender, its successors or assigns, or any holder of the Note secured by this instrument, may at any time and from time to time, with or without cause, and at its pleasure and without notice to either Trustee or Borrower, remove the Trustee herein named and appoint a successor or successors, either corporate or individual, by an instrument in writing which shall be recorded in the Register's Office of Davidson County, Tennessee, and any successor Trustee so appointed shall succeed to all the rights, title and powers and be subject to all of the same obligations, duties, waivers and immunities conferred upon the Trustee herein named, without the necessity of any conveyance from such predecessor Trustee.

3.06. Designation of Agent. Trustee or his successor hereunder is hereby authorized and empowered to designate an agent or attorney to perform any and all duties and obligations and to exercise all rights granted to Trustee hereunder, including, without limitation, the right and power to conduct any sale with or without such Trustee's or successor's presence at same.

3.07. Trustee's Oath, Inventory, Bond, Fee. The necessity of Trustee making oath, filing inventory or giving bond as security for the execution of this trust, as now or hereafter required by the laws of the State of Tennessee, is hereby expressly waived. In the event of foreclosure of this instrument, a reasonable trustee's fee shall be at least one (1%) percent of the Secured Indebtedness, and more if circumstances of the foreclosure justify a greater fee.

3.08. Suits to Protect the Secured Property. Lender shall have power (a) to institute and maintain such suits and proceedings as it may deem expedient to prevent any impairment of the Secured Property by any acts which may be unlawful or any violation of this instrument, (b) to preserve or protect its interest in the Secured Property and in the rents, issues, profits and revenues arising therefrom, and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of Lender.

3.09. Lender May File Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other proceedings affecting Borrower, its creditors or its property, Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of Lender allowed in such proceedings for the

entire amount due and payable by Borrower under this instrument at the date of the institution of such proceedings and for any additional amount which may become due and payable by Borrower hereunder after such date.

3.10. Security Agreement. This instrument is intended to be and shall be construed as a security agreement pursuant to the Uniform Commercial Code for any and all of the fixtures, Personal Property, Accounts, Condemnation Awards, Insurance, Claims, Payments, Leasehold Estate and Rents specified above as part of the Secured Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code. Accordingly, Borrower hereby grants to Lender a security interest in all such fixtures and Personal Property, of whatsoever kind or nature, now owned or at any time and from time to time hereafter acquired by Borrower and located in, on or about the Secured Property or used or intended to be used with or in connection with the construction, use, operation or ownership of the Secured Property, together with all accessions, additions, substitutions and replacements thereto or thereof and all proceeds therefrom, including proceeds of insurance policies on the same, as well as a security interest in the Accounts, Condemnation Awards, Insurance, Claims, Payments, Leasehold Estate and Rents, whether now existing or hereafter arising. The obligations of Borrower and the rights of Lender with respect to the perfection and continuation of perfection of the security interest herein granted and created shall be the same as those set forth in Section 1.10(a) of this instrument, to which reference is here made, including, without limitation, the appointment of Lender as the agent and attorney-in-fact of Borrower therein contained. Lender shall have all the rights with respect to such fixtures, Personal Property, Accounts, Condemnation Awards, Insurance, Claims, Payments, Leasehold Estate and Rents afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Lender by this instrument or any other agreement. Without limitation, Lender may sell the Personal Property, or any portion thereof, together with the Real Estate at any duly conducted foreclosure sale, and any notice given with respect to the foreclosure sale of the Real Estate shall suffice as a commercially reasonable notice of sale of the Personal Property pursuant to the security interest granted herein.

3.11. Notice to Parties. All notices and demands hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally, sent and received by electronic facsimile transmission, or sent by certified mail with return receipt requested to any party hereto at its address above stated or such other address of which written notification has been given to the other parties.

3.12. Usury Savings Provisions. It is the intention of Borrower and Lender to conform strictly to the usury laws now or hereafter in force. Any interest payable under the Note, this instrument, and/or any of the other Loan Documents executed by Borrower shall be subject to reduction to the amount equal to the maximum non-usurious amount allowed under the usury laws as now or hereafter construed by the courts having jurisdiction over such matters. In the event of acceleration of maturity of the Note by reason of any provision of this instrument, including, without limitation, an election by Lender resulting from an Event of Default (or an event permitting acceleration) under this instrument or any other Loan Documents, voluntary prepayment of the Note or otherwise, then earned interest may never include more than the maximum amount permitted by law, computed from the dates of each advance of the Secured Indebtedness until payment. Any interest in excess of the maximum amount permitted by law shall be canceled

automatically and, if theretofore paid, shall at the option of Lender either be rebated to Borrower or credited on the principal amount of the Note; or, if all principal has been repaid, then the excess shall be rebated to Borrower. The aggregate of all interest (whether designated as interest, service charges, points or otherwise) contracted for, chargeable, or receivable under the Note, this instrument, or any other document executed in connection with this loan transaction shall under no circumstances exceed the maximum lawful rates upon the unpaid principal balance of this Note remaining unpaid from time to time. In the event such interest does exceed the maximum lawful rate, it shall be deemed a mistake and such excess shall be cancelled automatically and if theretofore paid, rebated to Borrower or credited on the principal amount of the Note, at Lender's option, or if the Note has been repaid, then such excess shall be rebated to Borrower. If the usury savings provisions of this instrument are inconsistent with any similar provisions contained in the Note or any other agreement executed in connection with the Secured Indebtedness, the provisions most favorable to Lender, in Lender's sole discretion, shall apply.

3.13. Changes and Modifications. This instrument cannot be changed except by an instrument in writing, signed by Lender and Borrower.

3.14. Applicable Law. This instrument shall be interpreted, construed and enforced according to the laws of the State of Tennessee.

3.15. No Archaeological Encumbrances. To the best of Borrower's knowledge, Borrower warrants that the Real Property does not include any cemetery, Indian burial ground or village, or any other matter of archaeological significance which would require the notification or consent of any persons or entity (including, without limitation, the Division of Archaeology of the Tennessee Department of Conservation) in connection with any excavation or construction thereon.

3.16 Address of Trustee. Trustee is a resident of Davidson County, Tennessee, with the business address at 3305 West End Avenue, Nashville, Tennessee 37203.

3.17 Wraparound and Subordination Provisions. Lender and Borrower acknowledge that the Note evidences an indebtedness which includes or enwraps the Underlying Indebtedness and that this instrument includes or enwraps the SouthTrust Collateral Documents. Accordingly, the right and remedies of Lender under this instrument are at all times subordinate to the rights of the holder of the Underlying Indebtedness under the SouthTrust Collateral Documents. Lender agrees to completely pay and perform under the documents evidencing the Underlying Indebtedness and to take no action which would result in an event of default under the SouthTrust Collateral Documents. Borrower agrees to take no action which would create an event of default under the documents evidencing and securing the Underlying Indebtedness, including, but not limited to the SouthTrust Collateral Documents; provided, however, Borrower shall have no obligation to pay installments of principal and interest due under the Underlying Indebtedness which shall remain the obligation of Lender.

3.18 Non-recourse Indebtedness. The Note evidences an indebtedness which is without recourse to the assets of the general partners of Maker other than those specifically pledged as collateral therefor. The non-recourse nature of the indebtedness evidenced by the Note shall not impair the rights or remedies of Lender against the collateral for such indebtedness, including, but not limited to the assets of Borrower specifically pledged as

collateral for such indebtedness and the assets of the individual guarantors under the Guaranties, as defined in the Note.

BORROWER HEREBY WAIVES, ON BEHALF OF ITSELF, ITS SUCCESSORS AND ASSIGNS, ANY RIGHT IT MAY HAVE UNDER THE CONSTITUTION OF THE STATE OF TENNESSEE OR THE CONSTITUTION OF THE UNITED STATES OF AMERICA TO NOTICE OR TO A JUDICIAL HEARING PRIOR TO THE EXERCISE OF ANY RIGHT OR REMEDY PROVIDED BY THIS INSTRUMENT TO LENDER, AND FURTHER WAIVES ITS RIGHT, IF ANY, TO SET ASIDE OR INVALIDATE ANY SALE DULY CONSUMMATED IN ACCORDANCE WITH THE PROVISIONS HEREOF ON THE GROUND (IF SUCH BE THE CASE) THAT THE SALE WAS CONSUMMATED WITHOUT A PRIOR JUDICIAL HEARING. BORROWER HEREBY AFFIRMS, ON BEHALF OF ITSELF, ITS SUCCESSORS AND ASSIGNS, THAT LENDER HAS THE RIGHT TO ACCELERATE THE MATURITY OF THE INDEBTEDNESS EVIDENCED BY THE NOTE, IN SECURITY OF WHICH THIS INSTRUMENT IS GIVEN, AS PROVIDED BY THE TERMS AND PROVISIONS OF THE NOTE AND THIS INSTRUMENT. BORROWER HEREBY FURTHER WAIVES, ON BEHALF OF ITSELF, ITS SUCCESSORS AND ASSIGNS, ANY RIGHT IT MAY HAVE TO A JURY TRIAL WITH RESPECT TO THE SECURED INDEBTEDNESS OR ANY LOAN DOCUMENTS. THE WAIVERS AND AFFIRMATION OF BORROWER PURSUANT TO THIS PARAGRAPH HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY, AND AFTER BORROWER HAS BEEN APPRISED AND COUNSELED BY ITS ATTORNEYS AS TO THE NATURE THEREOF.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the date first above written.

GRANTOR/LENDER:

HILLWOOD VILLA ASSOCIATES, LLC,
a Tennessee limited liability company

BY: _____
Maurice J. Karr, Chief Manager

GRANTEE/BORROWER:

BIBISCO PARTNERSHIP

BY: BISH REALTY, L.L.C.,
General Partner

BY: _____
Morris Massry,
Special Manager

STATE OF TENNESSEE
COUNTY OF DAVIDSON

PERSONALLY APPEARED BEFORE ME, Charles B. Robson, Jr., a Notary Public, Maurice J. Karr, with whom I am personally acquainted, who acknowledged that he executed the foregoing instrument for the purposes therein contained and who further acknowledged that he is Chief Manager of HILLWOOD VILLA ASSOCIATES, LLC, a Tennessee limited liability company, being authorized to execute the foregoing instrument on behalf of the company.

WITNESS MY HAND, at office this 28th day of October, 1999.

_____
NOTARY PUBLIC

MY COMMISSION EXPIRES:
11-24-01

[Additional Acknowledgment on Following Page]

STATE OF NEW YORK
COUNTY OF ALBANY

BEFORE ME, Paul S. Goldman, a Notary Public in and for the County and State aforesaid, personally appeared Morris Massry, with whom I am personally acquainted (or proved to me on the basis of satisfactory evidence) and who upon oath acknowledged himself to be Special Manager of Bish Realty, L.L.C., a New York limited liability company, and that he as such Special Manager, being authorized so to do, executed the foregoing instrument by signing the name of the company by himself as Special Manager, in its capacity as General Partner for BIBISCO PARTNERSHIP, the bargainor, a Tennessee general partnership, and that the company, as such General partner executed the same for the purposes therein contained, by signing the name of the company by itself as General Partner.

WITNESS MY HAND AND SEAL, at office in Albany, New York, this the 27th day of October, 1999,

NOTARY PUBLIC

MY COMMISSION EXPIRES:

PAUL J. GOLDMAN
Notary Public, State of New York
Qualified in Albany County
Reg. No. 4864023
Commission Expires 6/9/2002

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[illegible] REFERENCE
[illegible] STER
[illegible] TN.

[illegible] 135.00

EXHIBIT "A"

LEGAL DESCRIPTION

BEING land in Davidson County, Tennessee, described according to a survey prepared by Dale and Associates dated January 8, 1999, revised January 25, 1999, and further revised June 22, 1999 (Job No. 98374) and more particularly described as follows:

BEGINNING at an iron rod situated in the southerly margin of Charlotte Pike, said point being the northeasterly corner of the Levitt & Shannon Quach property of record in Book 8409, Page 469, Register's Office for Davidson County, Tennessee; thence, along said road North 43° 19' 53" East, a distance of 50.00 feet to an iron rod; thence, leaving said road South 46° 20' 57" East, a distance of 200.24 feet to an iron rod; thence, North 43° 30' 36" East, a distance of 207.80 feet to an iron rod; thence, North 59° 44' 00" East, a distance of 10.00 feet to an iron rod; thence, South 30° 15' 59" East, a distance of 302.66 feet to an iron rod; thence, South 46° 42' 39" West, a distance of 10.26 feet to an iron rod situated in the northerly margin of Neighborly Avenue; thence, along said road, South 59° 44" 00" West, a distance of 8.00 feet to an iron rod situated in the northerly margin of Neighborly Avenue; thence, along the westerly margin of said road, South 30° 16' 00" East, a distance of 408.68 feet to an iron rod; thence, along said road, along a curve to the right having a central angle of 126° 25' 48" West, a radius of 50.00 feet, a tangent of 99.05 feet, a length of 110.33 feet, and having a chord which bears South 32° 56' 54" West, a distance of 89.27 feet, to an iron rod situated in the northerly margin of Watts Drive; thence, along said road, North 83° 50' 13" West, a distance of 320.26 feet to an iron rod; thence, leaving said road, North 21° 41' 32" West, a distance of 205.85 feet to an iron rod; thence, North 87° 29' 19" West, a distance of 208.60 feet to an iron rod; thence, North 21° 51' 22" West, a distance of 70.40 feet to an iron rod; thence, South 63° 25' 42" West, a distance of 103.21 feet to an iron rod; thence, North 33° 17' 02" West, a distance of 25.81 feet to an iron rod; thence, North 42° 58' 06" East, a distance of 143.57 feet to an iron rod; thence, South 46° 26' 51" East, a distance of 25.00 feet to an iron rod; thence, North 43° 35' 01" East, a distance of 200.00 feet to an iron rod; thence, North 46° 19' 46" West, a distance of 200.15 feet to the point of beginning and containing 254,504.218 square feet or 5.843 acres of land, more or less.

BEING the same property conveyed to Hillwood Villa Associates, LLC, a Tennessee limited liability company by deeds of record in Book 11426, Page 319, and Book 11703, Page 986, Register's Office for Davidson County, Tennessee.

EXHIBIT "B"

PERMITTED EXCEPTIONS

1. Deed of Trust and Security Agreement from Grantor to George R. Archer, Jr., Trustee, for the benefit of SouthTrust Bank, N.A., as of record in Book 11426, Page 321, Register's Office for Davidson County, Tennessee, together with the following supporting documents:

(a) Assignment of Leases, of record in Book 11426, Page 342, said Register's Office; and

(b) Form UCC-1 Financing Statements of record in Book 11426, Page 347, said Register's Office, and filed in the Office of the Tennessee Secretary of State as Document No. 991-001714.

2. All matters shown on plats recorded in Book 4175, Page 55, and Book 9700, Page 41, said Register's Office.

3. Easements to Metropolitan Government of Nashville and Davidson County, Tennessee, as set forth in instruments recorded in Book 6229, Pages 698 and 702, said Register's Office.

4. Rights of tenants as tenants only under unrecorded leases.

5. Matters shown on a survey prepared by Dale and Associates dated January 8, 1999, revised January 25, 1999, and further revised June 22, 1999 (Job No. 98374).

OFFICIAL RECEIPT

BILL GARRETT
REGISTER OF DAVIDSON COUNTY
NASHVILLE, TENNESSEE

RECEIVED OF _____

FOR _____

CO	CONVEYANCE	CC	CERTIFIED COPY	MISC	MISCELLANEOUS
MO	MORTGAGE	REL	RELEASE	CO TX	STATE TAX CONVEY
WD	WARRANTY DEED	UCC	UNIFORM COMMERCIAL CODE	MO TX	STATE TAX MORT
TD	TRUST DEED	CFEE	COMPUTER FEE	PRFEE	PROBATE FEE

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BOOK 11725 PAGE 171

CAMT
2905000.00
MAMT
2323000.00
CON TX 10748.50
MOR TX 2671.45
PRFEE 1.00
WDEED 120.00
CFEE 2.00
TOTAL 13542.95
CHECK 13542.95

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RECEIPT IS NOT VALID UNTIL CHECK IS PAID BY BANK

No. 1534037