TACOMA COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT
Attn: Dierdre Patterson
747 Market Street, Room 900
Tacoma, WA 98402

DEED OF TRUST

Grantor: Museum of Glass, a Washington not-for-profit corporation

Grantee: City of Tacoma, a Washington First Class Charter City

Legal Description: Those portions of Levels 1 through 4 of the Museum of Glass in Museum ownership as well as the Museum's interest in the Joint Use Areas, all as depicted in the Legal Description for the Museum of Glass in Exhibit A.

DEED OF TRUST

THIS DEED OF TRUST (the "Deed of Trust") is made and given as of ________, by and among:

1. Museum of Glass ("Grantor"), whose address is 1801 Dock St, Tacoma, WA 98402;

3. City of Tacoma ("Beneficiary"), whose address is 747 Market Street, Room 900, Tacoma, Washington 98402.

RECITALS

The Beneficiary has made to the Grantor a loan in the principal amount of One million two hundred and fifty thousand and no/100ths Dollars ($1,250,000.00). (the "Loan"), the terms of which are evidenced by a Loan Agreement of even date herewith, a Promissory Note in the principal amount of $1,250,000.00 (the “Note”) of even date herewith and other related loan documents (collectively the "Loan Documents").

AGREEMENTS

In consideration of the Loan, Grantor hereby represents, warrants, covenants and agrees as follows:

ARTICLE I – GRANT OF DEED OF TRUST

1.1 Grant of Deed of Trust and Security Interest. Grantor hereby irrevocably grants, transfers, conveys and assigns to Trustee, in trust, with power of sale, all of Grantor's present and future estate, rights, title, claim, interest and demand either in law or equity, of, in and to the following property (the "Property").

1.1.1 Property. All of the estate, right, title and interest now owned or subsequently acquired by Grantor in the Property situated in the City of Tacoma, Pierce County, Washington, legally described in Exhibit "A," attached hereto and incorporated herein by this reference (the “Property”); all rights, easements, tenements, rights-of-way, privileges, appendages and appurtenances now or hereafter appertaining to such Property, including but not limited to all rights relating to water, storm and sanitary sewer, gas, electric, railway and telephone services; all development rights, air rights, water, water rights, water stock, gas, oil, minerals, coal and other substances of any kind or character underlying or relating to such land; all estate, claim, demand, right, title or interest of the Grantor (all of the foregoing is herein included within the term "Property");

1.1.2 Improvements. All buildings, structures, Improvements (collectively the “Improvements”), easements, appurtenances and tenements now or hereafter located on or otherwise relating to the Property;

1.1.3 Furnishings and Fixtures. All furnishings, fixtures, fittings, replacements, equipment and articles of property now or hereafter attached to, or used or adapted for use in the operation of, the Property (whether such items are leased, owned absolutely, or subject to any title retention or security instrument or otherwise used or possessed), including, without limitation, all heating, cooling, air conditioning, ventilating, refrigerating, plumbing, generating, power, lighting, laundry, maintenance, incinerating, lifting, cleaning, fire prevention and extinguishing, security and access control, cooking, gas, electric and communication fixtures, equipment and apparatus, all engines, motors, conduits, pipes, pumps, tanks, ducts, compressors, boilers, water heaters and furnaces, irrigation and sprinkler systems, all of which items shall be deemed part of the Property and not severable wholly or in part without material injury thereto, provided, however, that Beneficiary agrees that this Deed of Trust shall be subject and subordinate to all leases, financing statements, security agreements and security instruments executed by Grantor in connection with the purchase or lease of any televisions, satellite equipment, furniture, or other personal property approved in advance by Beneficiary, which approval shall not be unreasonably withheld (collectively, "Personal Property Liens");

1.1.4 Landscaping and Maintenance Supplies. All trees, shrubs, turf, sod and other growing plants and landscaping, appliances (including stoves, refrigerators, water fountains and coolers, fans, heaters, incinerators, compactors, dishwashers, clothes washers and dryers, water heaters and similar equipment), supplies, blinds, window shades, carpeting, floor coverings, lockers, elevators, office equipment, fire sprinklers and alarms, control devices, safety and life support systems, awnings, equipment (including all window cleaning, building cleaning, swimming pool, recreational, monitoring, garbage, air condition, pest control and other equipment), tools, furnishings, furniture, light fixtures, non-structural additions to the Property, landscaping and maintenance equipment, vehicles and all other tangible property of any kind or character now or hereafter owned by the Grantor and used in connection with the Property, any construction undertaken on the Property, any trade, business or other activity of Grantor (whether or not engaged in for profit) for which the Property is used, the maintenance of the Property, or the convenience of any guests, licensees or invitees of the Grantor, all regardless of whether located on the Property or located elsewhere for purposes of fabrication, storage or otherwise, and all of which items shall also be deemed part of the Property and not severable wholly or in part without material injury thereto.

Notwithstanding anything to the contrary set forth herein or in any other document which has been executed in connection with the Loan secured hereby, this Deed of Trust shall not secure (i) the obligations of any guarantor (the "Guarantor") that has executed a guaranty agreement in connection with the Loan in favor of Beneficiary, in which, among other things, such Guarantor has agreed to guaranty the repayment of the Loan evidenced by the Note, or (ii) the obligations of Grantor or any Guarantor pursuant to any environmental indemnity agreement (including, without limitation, a certain Certificate and Indemnity Agreement Regarding Hazardous Substances of even date) separate from this Deed of Trust executed by Grantor and/or any Guarantor in favor of Beneficiary.

ARTICLE II – TITLE AND USE

2.1 Warranty of Title. Grantor represents and warrants to Beneficiary that: (i) Grantor is the sole holder of fee title to the Property and has good and marketable title to the

Property; (ii) the Property is free from liens, encumbrances, exceptions or other charges of any kind whatsoever other than approved Personal Property Liens and the "Permitted Exceptions" listed on the attached Exhibit "B," attached hereto and incorporated herein by this reference, and any other liens, encumbrances, exceptions or charges expressly permitted by the terms of this Deed of Trust, and no other encumbrances, whether superior or inferior to this Deed of Trust, will be created or suffered to be created by Grantor during the time this Deed of Trust is in effect without the prior written consent of Beneficiary; (iii) no default on the part of Grantor or any other person exists under any of the obligations evidenced or secured by the Permitted Exceptions and, as applicable, all are in full force and effect and in good standing, without modification; and (iv) Grantor has the right to grant, transfer, convey and assign the Property as herein provided and will forever warrant and defend the Property unto Beneficiary against all claims and demands of any other person whomsoever, subject only to non-delinquent installments of taxes and assessments and the Permitted Exceptions. Grantor shall appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee and shall pay all costs and expenses, including cost of evidence of title and actual attorney's fees, in any such action or proceeding in which Beneficiary or Trustee may appear.

2.2 Subordination to First Deed of Trust. Beneficiary recognizes that this Deed of Trust is junior to, and regardless of the order of recording, subordinate and subject to a deed of trust in favor of PNC Bank as beneficiary to secure an obligation PNC Bank (such deed of trust and related instruments being collectively referred to herein as the "Prior Lien").

2.2.3 The transaction to which this Deed of Trust pertains and the granting and recordation of this Deed of Trust do not violate any prohibition or restriction against junior encumbrances or any other provisions contained in the Prior Lien or any documentation executed in connection therewith;

2.2.4 All obligations secured by and contained in the Prior Lien which have accrued to the date of this Deed of Trust have been fully and properly performed when due;

2.2.5 Grantor shall timely perform all of the covenants contained in the Prior Lien, including the payment when due of all of the indebtedness thereby secured;

2.2.6 Grantor shall give Beneficiary prompt written notice of any alleged default which Grantor receives in connection with the Prior Lien;

2.2.7 Grantor shall not agree to any material modification of the Prior Lien without obtaining Beneficiary's prior written consent, which consent shall not be unreasonably withheld so long as such modification will not jeopardize or diminish Beneficiary's security;

2.2.8 Grantor shall provide Beneficiary, upon request, such further assurances and evidences of the status of the Prior Lien and the performance of Grantor's obligations thereunder as Beneficiary may reasonably require;

2.2.9 Any default or failure to perform any obligation under the Prior Lien or the indebtedness which it secures, after expiration of all applicable grace and notice periods, shall be deemed a default under this Deed of Trust and give rise to all of Beneficiary's rights and remedies hereunder, including the right, but not the obligation, to cure any such defaults and to accelerate the Secured Obligations, with any payment so made and the costs and expenses so incurred by Beneficiary, including its attorney's fees, to bear interest from the date of advance to the date of collection at the default rate of interest (the "Default Rate"), if any, provided for in the Loan Agreement or Note, to be repayable upon demand, and to be secured by this Deed of Trust and the Loan Documents to the same extent as if originally part of the Note and the Loan Agreement; and

2.2.10 Beneficiary shall have no obligations with respect to the Prior Lien and Grantor shall hold Beneficiary harmless from and against any losses of or demands, claims or allegations against Beneficiary by any holder of the Prior Lien which relate to this transaction.

2.3 Non-Agricultural Use. Grantor represents and warrants to Beneficiary that the Property is not currently and shall not in the future be used for agricultural or farming purposes.

2.4 Commercial Deed of Trust. Grantor represents and warrants to Beneficiary that this Deed of Trust and the Loan are and at all times will be exclusively for business and commercial purposes.

ARTICLE III – GRANTOR'S COVENANTS

3.1 Payment and Performance of Secured Obligations. Grantor shall pay when due all sums that are now or that may become owing on the Loan Agreement and the Note, and shall pay and perform all other Secured Obligations in accordance with their terms.

3.2 Payment of Taxes, Utilities, Liens and Charges.

3.2.1 Taxes and Assessments. Except as the same may otherwise be paid under Article IV relating to reserves, Grantor shall pay when due directly to the payee thereof all taxes and assessments (including, without limitation, non-governmental levies or assessments such as maintenance charges, owner association dues or charges, or fees, levies or charges resulting from covenants, conditions or restrictions) levied, assessed or charged against or with respect to the Property or this Deed of Trust. Grantor shall promptly furnish to Beneficiary all notices of amounts due under this Section and all receipts evidencing such payments. Without in any way limiting the generality of the foregoing provisions of this Section, if, during the term of the Loan, subject to Grantor's right to contest such tax, there is any change in applicable law that results in Beneficiary being subjected to: (i) any tax measured by or based on, in whole or in part, the indebtedness secured hereby (but no taxes imposed on Beneficiary's gross revenues or net income), or (ii) any portion of any tax payable with respect to the Property, Grantor shall, on demand, pay to Beneficiary the amount of any such tax paid by Beneficiary or shall promptly repay the Secured Obligations (without the obligation to pay any prepayment penalty otherwise required under the Note).

3.2.2 Utilities. Grantor shall pay when due all water and utility charges and assessments for water and services furnished the Property.

3.2.3 Liens and Charges. Grantor shall pay when due the claims of all persons supplying labor or materials to or in connection with the Property. Without waiving the restrictions of Article V, Grantor shall promptly discharge any lien or other charge not constituting a Permitted Exception, whether superior or inferior to this Deed of trust, which may be claimed against the Property. Notwithstanding the foregoing provisions of this Section, Grantor shall not be deemed to be in default under this Section if and so long as: (i) Grantor contests in good faith the validity or amount of any asserted lien or other charge and diligently prosecutes or defends an action appropriate to obtain a binding determination of the disputed matter, (ii) nonpayment of such lien or charge does not result in the loss or forfeiture of any of the Property or any interest therein, and (iii) Grantor furnishes cash, a surety bond, or other security in form and content and issued by a company reasonably satisfactory to Beneficiary, as security for any payment that may ultimately be required to discharge the lien or charge, in an amount equal to 150 percent of the amount of the asserted lien or charge. Beneficiary agrees that a surety bond in the amount required hereunder and otherwise satisfying the requirements of any applicable law relating to bonding around such a lien or charge shall be satisfactory to Beneficiary under clause (iii) above.

3.3 Insurance.

3.3.1 Coverages Required. Grantor shall keep the following insurance coverages in effect with respect to the Property (or such other coverages as Beneficiary has approved in writing):

3.3.1.1 Comprehensive general liability insurance with premiums prepaid covering the Property and providing not less than full replacement cost coverage, in an amount equal at all times to the full insurable value of the Improvements, furnishings and fixtures on the Property, including the cost of demolition or removal of debris and contents thereof, and insuring against loss by fire and such other risks covered by extended coverage insurance, and such other perils and risks, including earthquake, loss of rent and business interruption, as Beneficiary may reasonably require, and for such periods as Beneficiary may require;

3.3.1.2 Comprehensive public liability insurance against claims for bodily injury, death or property damage occurring on, in or about the Property (including coverage for elevators and escalators, if any, on the Property), with the coverage in an amount of not less than $1,000,000.00, or in such greater amount as Beneficiary may reasonably require;

All such policies may be carried under blanket policies and with reasonable deductible amounts.

3.3.2 Policies. Each insurance policy shall be issued by a company reasonably acceptable to Beneficiary and licensed to do business in the state in which the Property is located and shall be in a form reasonably acceptable to Beneficiary.

3.3.3 Payment; Renewals. Grantor shall promptly furnish to Beneficiary all renewal notices relating to insurance policies. Grantor shall pay all premiums on insurance policies directly to the carrier. At least ten (10) days prior to the expiration date of each such policy, Grantor shall furnish to Beneficiary a renewal certificate of insurance in a form acceptable to Beneficiary, including evidence that the renewal premium has been paid.

3.3.4 Insurance Proceeds.

3.3.4.1 In the event of any loss in excess of $10,000.00, Grantor shall give prompt written notice thereof to the insurance carrier and Beneficiary. Grantor hereby authorizes Beneficiary, as Grantor's attorney-in-fact, to make proof of loss, to adjust and compromise any claim, to commence, appear in and prosecute, in Beneficiary's or Grantor's names, any action relating to any claim and to collect and receive insurance proceeds; provided, however, that Beneficiary shall have no obligation to do so.

3.3.4.2 Beneficiary shall apply any insurance proceeds received by it hereunder first to the payment of the reasonable costs and expenses incurred in the collection of the proceeds and then, in its absolute discretion, and without regard to the adequacy of its security, to:

3.3.4.2.1 The payment of any indebtedness secured hereby, in such order as Beneficiary may determine, whether then due and payable or not. No such application of proceeds to the principal of the Note shall extend or postpone the due dates of the installment payments under the Note or change the amounts thereof, nor shall any prepayment fee be payable under the Note with respect to any such application of proceeds to principal on the Note; or

3.3.4.2.2 The disbursements to Grantor of all or any part of such insurance proceeds under any disbursement control procedures reasonably prescribed by Beneficiary.

Notwithstanding the foregoing provisions of this Section, if there exists no outstanding event of default (“Event of Default”) under any of the Loan Documents, and Grantor establishes, in Beneficiary's reasonable discretion, that Grantor has sufficient funds, including such insurance proceeds, to fully rebuild or repair the Improvements on the Property, Beneficiary shall release insurance proceeds for purposes of repair or restoration of the Property, in accordance with such reasonable disbursement control procedures as Beneficiary may require.

3.3.5 Transfer of Title. If the Property is sold to Beneficiary pursuant to a foreclosure sale or if Beneficiary otherwise acquires title to the Property, Beneficiary shall have all of the right, title and interest of Grantor in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Property prior to such sale or acquisition.

3.4 Preservation and Maintenance of Property.

3.4.1 Preservation and Maintenance. Grantor: (i) shall not commit or suffer any waste or permit any impairment or deterioration of the Property, (ii) shall not abandon the Property, (iii) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Beneficiary may reasonable approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (iv) shall keep the Property, including Improvements, fixtures, equipment, machinery, and appliances thereon, in good condition and repair and shall replace fixtures, equipment, machinery and appliances of the Property when necessary to keep such items in good condition and repair, (v) shall cultivate, irrigate, fertilize, fumigate, prune, prevent freezing and do all other acts which from the character and use of the Property may be reasonably proper or necessary, and (vi) shall generally operate and maintain the Property in a manner to ensure sufficient revenue to perform the Secured Obligations.

3.4.2 Management. Grantor shall notify Beneficiary in writing of its intention to designate any company or individual as manager of the Property or to change the manager, and shall obtain Beneficiary's prior written approval of such designation or change, which approval shall not be unreasonably withheld.

3.6 Use of Property. Grantor shall comply with all laws, ordinances, regulations and requirements, of any governmental body and all other covenants, conditions and restrictions applicable to the Property, including, without limitation, the federal Fair Housing Act and the Americans with Disabilities Act, and shall make any and all alterations to the Property that may be required thereunder, and shall pay all fees, charges and penalties in connection therewith. Unless required by applicable law or unless Beneficiary has otherwise agreed in writing, Grantor shall not allow changes in the use for which all or any part of the Property was intended at the time this Deed of Trust was executed. Grantor shall not initiate or acquiesce in a change in the land use or zoning classification of the Property without Beneficiary's prior written consent. Grantor shall exercise due diligence and care to prevent any unlawful use, dealing, purchase or sale of narcotics, drugs, alcohol, firearms or other controlled substances on or in the vicinity of the Property.

3.7 Condemnation.

3.7.1 Proceedings. Grantor shall promptly notify Beneficiary of any action or proceeding relating to any condemnation or other taking (including, without limitation, change of grade), whether direct or indirect, of the Property or any part thereof or interest therein, and Grantor shall appear in and prosecute any such action or proceeding unless otherwise directed by Beneficiary in writing. Grantor authorizes Beneficiary, at Beneficiary's option, as attorney-in-fact for Grantor, to commence, appear in and prosecute, in Beneficiary's or Grantor's names, any action or proceeding relating to any such condemnation or other taking, and to settle or compromise any claim in connection with such condemnation or other taking; provided, however, that Beneficiary shall have no libation to do so. All awards, payments, damages (direct, incidental or consequential), claims and proceeds thereof, in connection with any such condemnation or other taking, or for conveyances in lieu of condemnation, are hereby assigned to Beneficiary, and all proceeds of any such awards, payments, damages or claims shall be paid to Beneficiary subject to the rights of the lessor under any ground lease.

3.7.2 Application of Proceeds. Beneficiary shall apply any such proceeds in the manner and upon the terms and conditions set forth in Section 3.3.4.2 relating to the application of insurance proceeds.

3.8 Production of Beneficiary's Security. Should Grantor fail to make any payment or to do any act as required herein or under any of the other Loan Documents, after expiration of all grace periods, then upon providing written notice to Grantor, Beneficiary or Trustee (without obligation so to do and without releasing Grantor from any obligation hereof) may: (i) make or do the same in such manner and to such extent as either may deed necessary to protect the security hereof, including, if necessary, the completion of construction of the Improvements on the Property, Beneficiary or Trustee being authorized to enter upon the Property for such purposes, (ii) commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, (iii) pay, purchase, contest or compromise any encumbrance, charge or lien which, in the judgment of either appears to be prior or superior hereto, (iv) take any other reasonable actions as may be necessary or desirable to protect or enforce the security of this Deed of Trust, to remedy Grantor's failure to perform covenants (without, however, waiving any default by Grantor), or otherwise to protect Beneficiary's or Trustee's interests, and (v) in exercising any such powers, incur any reasonable liability and expend whatever amounts in its reasonable discretion either may deem necessary therefor, including cost of title reports and employment of counsel.

3.9 Reimbursement of Beneficiary's and Trustee's Expenses. All amounts disbursed by Beneficiary and Trustee or any other provision of this Deed of Trust, with interest thereon, shall be additional indebtedness of Grantor secured by this Deed of Trust. All such amounts shall be due and payable within ten (10) days after demand and shall bear interest from the due date at the Default Rate.

3.10 Books and Records; Financial Statements. Grantor shall keep and maintain at Grantor's address stated above, or such other place as Beneficiary may approve in writing, books of account and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, contracts, leases and other instruments shall be subject to examination, inspection and copying at any reasonable time by Beneficiary after reasonable notice. If the Property is used as rental property, Grantor shall furnish to Beneficiary: (i) within ninety (90) days after the end of each fiscal year of Grantor: (a) a financial statement of Grantor certified as accurate by Grantor or an agent thereof, and (b) a profit and loss statement with respect to the Property setting forth in reasonable detail the income and expenses of the Property, certified as accurate by Grantor or an agent thereof; (ii) within thirty (30) days after the end of each calendar quarter following completion of construction of the Improvements on the Property, Grantor shall furnish quarterly profit and loss statements relating to the Property, certified as accurate by Grantor or an agent thereof; (iii) Grantor shall also furnish monthly income and expense reports prepared by the manager of the Property; (iv) prior to the end of each calendar year, Grantor shall provide Beneficiary with a budget showing the anticipated revenues and expenses of the Property for the next calendar year; and (v) in addition, Grantor shall furnish to Beneficiary, within twenty (20) days after Beneficiary's request therefor, a complete and then most-current financial statement and tax return (current to not more than one year prior to Beneficiary's request), in reasonable detail and certified as correct by Grantor.

3.11 Indemnification.

3.11.1 Beneficiary shall have no liability in connection with the construction of the Improvements on the Property or the use, operations and maintenance of the Property, and Grantor agrees to defend, fully indemnify Beneficiary for and hold entirely free and harmless Beneficiary from and against any and all losses, liabilities, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses, including but not limited to, attorney's fees, court costs and disbursements (collectively the "Claims") that may be imposed on, incurred or paid by or asserted against Beneficiary by reason or on account of, or in connection with or arising out of: (i) the deposit or release of any hazardous substance (individually "Hazardous Substance" and collectively "Hazardous Substances") (defined as any substance or material defined or designated as hazardous or toxic waste, hazardous or toxic material or hazardous, toxic or radioactive substance, or other similar term under federal, state or local statute, regulation or ordinance now or hereafter in effect) on the Property after the date when Grantor has acquired title to the Property, including, but not limited to, the cost of correcting such environmental hazard or violation, the payment of any damages or penalties charged or imposed by any applicable court or governmental agency and/or the costs of investigating and defending any charge or action brought under any environmental enactment ("Environmental Enactment") (defined as any statute, ordinance or regulation regulating the use, storage or disposal of any Hazardous Substances) by any governmental entity or official or any private citizen or group of citizens, including without limitation, the fees of any attorney or any expert or other consultant hired in connection with such charge or action (except with respect to any liability arising from discharges of any Hazardous Substances during any period when Beneficiary or affiliates of Beneficiary owned the Property), (ii) construction, reconstruction or alteration of buildings or other Improvements on the Property, (iii) any negligence or misconduct of Grantor, any lessee or occupant of the Property, or any of their respective agents, contractors, subcontractors, servants, employees, licensees or invitees, (iv) any accident, injury, death or damage to any person or property occurring in, on or about the Property or any street, drive, sidewalk, curb or passageway adjacent thereto, (v) any seizure or forfeiture under any federal or state drug forfeiture act, and any fee, penalty, cost of alteration or other liability arising under the Fair Housing Act or the American with Disabilities Act, or (vi) any other transaction arising out of or in any way connection with the Property, excluding the foregoing indemnification any claims arising out of the willful misconduct or gross negligence of the Beneficiary. The parties hereto intend that under the foregoing indemnity provisions, unless otherwise expressly limited herein, Grantor shall indemnify Beneficiary against any Claim related to the Property to the fullest extent permitted by law. Any exculpatory clause contained in the Note or this Deed of Trust elsewhere shall not exculpate against any liability from the provisions of this Section 3.11.

3.11.2 Grantor acknowledges that the indemnifications contained in this Deed of Trust with respect to Hazardous Substances are intended to operate as indemnifications under Section 9607(e)(12) of the Comprehensive Environmental Response, Compensation and Liability Act (42 (U.S.C. § 9601 et seq.) and the Washington Hazardous Substances Act

(Health and Safety Code § 25310 et seq.) as may be hereafter amended, and that such indemnifications shall remain in full force and effect regardless of whether or not Grantor is attempting to obtain or has obtained a stay of enforcement proceedings. Grantor further agrees that its indemnifications with respect to deposit or release of Hazardous Substances on the Property after Grantor has acquired the Property are separate, independent of and in addition to the undertakings of Grantor as a borrower under the Loan, the Note, the Deed of Trust or any of the other Loan Documents. A separate action may be brought to enforce Grantor's indemnifications with respect to such post-acquisition deposit or release of Hazardous Substances, which shall in no way be deemed to be an action on the Note, whether or not the Loan has been repaid and/or whether or not Beneficiary would be entitled to a deficiency judgment following a foreclosure. The indemnifications contained in this Deed of Trust with respect to Hazardous Substances shall survive the judicial or non-judicial foreclosure of this Deed of Trust.

3.12 Right of Subrogation. Grantor acknowledges and agrees that Beneficiary is fully subrogated to the rights, whether legal or equitable, of all beneficiaries, mortgagees, lienholders and owners, directly or indirectly paid off or satisfied in whole or in part, by any proceeds advanced by Beneficiary under the Loan Documents, regardless of whether these parties assigned or released of record their rights or liens upon the Property upon payment.

3.13 Waivers by Grantor. Without affecting any of Grantor's obligations under the Loan Documents, Grantor waives: (i) notice of default by any Grantor or any other party liable for any indebtedness secured by this Deed of Trust; (ii) any right to require Beneficiary to proceed against any specific party liable for any indebtedness secured by this Deed of Trust, or to proceed or exhaust any specific security for any indebtedness secured by this Deed of Trust; (iii) diligence, demand for performance, notice of nonperformance, presentment, protest, notice of dishonor and notice of new or additional indebtedness of any Grantor or any other party liable for any indebtedness secured by this Deed of Trust; (iv) any defense arising out of Beneficiary entering into additional financing or other arrangements with any Grantor or any party liable for any indebtedness secured by this Deed of Trust, not relating to the Property, and any action taken by Beneficiary in connection with any such financing or other arrangements, or any pending financing or other arrangements not related to the Property; (v) any defense arising out of the absence, impairment or loss of any or all rights of recourse, reimbursements, contribution or subrogation or any other rights or remedies of Beneficiary against any Grantor or any other party liable for any indebtedness secured by this Deed of Trust or any Property; and (vi) any obligation of Beneficiary to see to the proper use and application of any proceeds advanced pursuant to the Loan Documents.

ARTICLE IV – RESERVES

4.1 Deposits. If Beneficiary so requires, during any period that there is an uncured Event of Default under any of the Loan Documents, Grantor shall, at the time of making each monthly payment under the Note, deposit with Beneficiary a sum, as reasonably estimated by Beneficiary, equal to: (i) the taxes and special assessments due on the Property for the next tax year, and (ii) the premiums next due on the insurance policies required under this Deed of Trust, less all sums already deposited therefor, divided by the number of months to elapse before one month prior to the date when such taxes, premiums or rents will become due, as the case may be. During any period that there is an uncured Event of Default, Beneficiary may also require Grantor to deposit with Beneficiary, in advance, such other sums for other taxes, assessments, premiums, charges and impositions in connection with the Property as Beneficiary reasonably deems necessary to protect Beneficiary's interests. Deposits for such other impositions shall be made in a lump sum or in periodic installments, at Beneficiary's option. If requested by Beneficiary, Grantor shall promptly deliver to Beneficiary all bills and notices with respect to any rents, taxes, assessments, premiums and other impositions. All sums deposited with Beneficiary under this Section 4.1 are hereby pledged as additional security for the Secured Obligations.

4.2 Application of Deposits. All sums deposited by Grantor under this Article IV shall be held by Beneficiary and applied in such order as Beneficiary elects to pay such rents, taxes, assessments, premiums and other impositions. Upon the occurrence of an Event of Default hereunder, such sums may be applied, in whole or in part, to indebtedness secured hereby. The arrangements provided for in this Article IV are solely for the added protection of Beneficiary and entail no responsibility on Beneficiary's part beyond the allowing of due credit, without interest, for the sums actually received by it. Upon any assignment of this Deed of Trust by Beneficiary, any funds on hand shall be turned over to the assignee and any responsibility of Beneficiary with respect thereto shall terminate. Each permitted transfer of the Property shall automatically transfer to the grantee all rights of Grantor with respect to any funds accumulated hereunder.

4.3 Adjustment of Deposits. If the total amount of deposits held by Beneficiary under this Article IV exceeds the amount deemed necessary by Beneficiary to provide for the payment of such rents, taxes, assessments, premiums and other impositions as the same fall due, then such excess shall, provided no Event of Default then exists hereunder, be credited by Beneficiary on the next due installment or installments of such deposits. If at any time the total amount of deposits held by Beneficiary is less than the amount deemed necessary by Beneficiary to provide for the payment thereof, as the same fall due, then Grantor shall deposit the deficiency with Beneficiary within thirty (30) days after written notice to Grantor stating the amount of the deficiency.

ARTICLE V – RESTRICTIONS ON TRANSFER OR ENCUMBRANCE DUE ON SALE

Grantor acknowledges and agrees that the obligations secured by this Deed of Trust are personal to Grantor and that the identity of Grantor (and its officers, directors, members and partners, as appropriate), Grantor's legal organization, business expertise, financial condition and continued control of the Property were material inducements upon which Beneficiary relied in making the Loan to Grantor. Accordingly, so long as this Deed of Trust is in effect, then without Beneficiary's prior written consent or except as is expressly permitted in the Loan Agreement; (i) Grantor shall not, directly or indirectly, voluntarily or involuntarily, sell, enter into a contract of sale, assign, transfer, dispose of, alienate or further encumber all or any portion of or any interest in the Property, permit the assignment or transfer of any of the stock, partnership interests or membership interests, as appropriate, in Grantor, allow any secondary financing or other lien to exist against all or any portion of the Property, lease all or any portion of the Property with an option to purchase or materially change the use of the Property (other than the Permitted Exceptions described in Exhibit "B"); and (ii) Grantor shall not allow a withdrawal or substitution of any general partner in or other controlling interest in Grantor or in any general partner of Grantor. Any such action without Beneficiary's prior written consent shall be deemed to increase the risk of Beneficiary and shall constitute an Event of Default hereunder. Upon the occurrence of such Event of Default or at any time thereafter, Beneficiary may, at its option, declare all sums secured hereby due and payable. In addition, Beneficiary reserves the right to charge an assumption or transfer fee and/or to increase the interest rate of the Loan and/or to impose such other conditions as it may deem appropriate as a condition of granting consent to any sale or further encumbrance against the Property or any other action requiring such consent hereunder.

ARTICLE VI – UNIFORM COMMERCIAL CODE SECURITY AGREEMENT

6.1 Grant to Beneficiary. This Deed of Trust constitutes a security agreement and a financing statement (fixture filing) pursuant to the Uniform Commercial Code, and Grantor hereby grants and conveys a security interest to Beneficiary with respect to:

6.1.1 Any of the Property described in Article I that, under applicable law, is not Property or effectively made part of the Property by the provisions of this Deed of Trust or other applicable law; and

6.1.2 Any and all other property now or hereafter described on any Uniform Commercial Code Financing Statement naming Grantor as Debtor and Beneficiary as Secured Party and affecting or in any way connected with the use and enjoyment of the Property (any and all such other property also constituting "Property" for purposes of this Deed of Trust).

6.2 Intent to Regard as Property. Grantor and Beneficiary agree that neither the foregoing grant of a security interest nor the filing of any such financing statement shall be construed as in any way derogating from the parties' hereby stated intention that everything used in connection with the production of income from the Property or adapted for use therein or which is described or reflected in this Deed of Trust is and at all times shall be regarded for all purposes as part of the Property and shall, to the fullest extent allowed by law, be treated as Property.

6.3 Beneficiary's Right and Remedies. With respect to Property subject to the foregoing security interest, Beneficiary has all of the rights and remedies: (i) of a secured party under the Uniform Commercial Code, as enacted in the State of Washington, (ii) provided herein, including, without limitation, the right to cause such Property to be sold by Trustee under the power of sale granted by this Deed of Trust, and (iii) otherwise provided by law. In exercising its remedies, Beneficiary may proceed against the items of Property and any items of personal property separately or together and in any order whatsoever, without in any way affecting the availability of Beneficiary's other remedies. Grantor specifically acknowledges that upon Grantor's default, Beneficiary may, among other remedies, foreclose against any and all personal property in connection with and as a part of Beneficiary's foreclosure against the Property (whether through judicial process or a non-judicial foreclosure) and that including such personal property within a foreclosure against the Property will be commercially reasonable and consistent with applicable law. Upon demand by Beneficiary following an Event of Default hereunder, Grantor shall assemble any items of personal property and make them available to Beneficiary at the location of the Property, which is a place that is hereby deemed to be reasonably convenient to both parties. Beneficiary shall give Grantor at least ten (10) days' prior written notice of the time and place of any public sale or other disposition of such Property, or of the time of or after which any private sale or any other intended disposition is to be made. Any person permitted by law to purchase at any such sale may do so. Such Property may be sold at any one or more public or private sales, as permitted by applicable law. All expenses incurred in realizing on such Property shall be borne by Grantor. Beneficiary shall also have the right to apply the Property and all other Property toward full satisfaction of the Secured Obligations in accordance with applicable laws governing foreclosures of deeds of trust and UCC security interests.

ARTICLE VIII – EVENTS OF DEFAULT

8.1 Events of Default. The occurrence of any one or more of the following shall constitute an event of default hereunder:

8.1.1 Failure to make any payment under the Note, the Loan Agreement, this Deed of Trust or any of the other Loan Documents after the date on which such payment is due;

8.1.2 Failure to perform any other covenant, agreement or obligation under the Note, this Deed of Trust or any of the other Loan Documents, and the failure to cure such default within ten (10) days after written notice thereof given to Grantor by Beneficiary;

8.1.3 A default by Grantor on its obligations secured by any of the Permitted Exceptions or otherwise secured by the Property that is not cured within any time period for cure set forth in the documents creating such obligations;

8.1.4 A transfer or purported transfer in violation of Article V;

8.1.5 Grantor files a petition in bankruptcy or for an arrangement, reorganization or any other form of debtor relief; or such a petition is filed against Grantor and is not dismissed within forty-five (45) days after the date of filing;

8.1.6 A decree or order is entered for the appointment of a trustee, receiver or liquidator for Grantor or Grantor's property, and such decree or order is not vacated within forty-five (45) days after the date of entry;

8.1.7 Grantor commences any proceeding for dissolution or liquidation or any such proceeding is commenced against Grantor and is not dismissed within forty-five (45) days after the date of commencement;

8.1.8 Grantor makes an assignment of all or substantially all of its assets for the benefit of its creditors, or admits in writing its inability to pay its debts generally as they become due; or

8.1.9 Any written representation or disclosure made to Beneficiary by Grantor proves to be materially false or misleading when made, whether or not that written representation or disclosure is contained herein or in any of the other Loan Documents, and such misrepresentation was not a good faith error or omission.

8.2 Form of Notice. At Beneficiary's option, any written notice of default required to be given to Grantor under Section 8.1 may be given in the form of a statutory notice of default under the laws of the State of Washington relating to non-judicial foreclosures of deeds of trust pursuant to RCW 61.24 et. seq.

ARTICLE IX – REMEDIES

9.1 Acceleration Upon Default; Additional Remedies. Upon the occurrence of an Event of Default hereunder, Beneficiary may, at its option and after providing notice of such default to Grantor in accordance with the Loan Agreement:

9.1.1 Declare any or all indebtedness secured by this Deed of Trust to be due and payable immediately, in which case the entire principal balance and accrued interest shall thereupon become immediately due and payable and shall thereafter bear interest at the Default Rate.

9.1.2 Bring a court action to enforce the provisions of or any of the indebtedness or obligations secured by this Deed of Trust.

9.1.3 Foreclose this Deed of Trust as a mortgage pursuant to a judicial proceeding.

9.1.4 Cause any or all of the Property to be sold under the power of sale granted by this Deed of Trust in any manner permitted by applicable law, including but not limited to laws governing non-judicial foreclosures of trust deeds and realization of security interests under the Uniform Commercial Code.

9.1.5 Exercise any or all of the rights and remedies provided for herein or in any of the other Loan Documents in the event of default hereunder.

9.1.6 Exercise any other right or remedy available under law or in equity.

9.2 Exercise of Power of Sale. For any sale under the power of sale granted by this Deed of Trust, Beneficiary or Trustee shall record and give all notices required by law and then, upon the expiration of such time as is required by law, Trustee may sell the Property upon any terms and conditions specified by Beneficiary and permitted by applicable law. Trustee may postpone any sale by public announcement at the time and place noticed for the sale. If the Property includes several distinct lots or parcels, Beneficiary, in its discretion, may designate their order of sale, or may elect to sell all of them as an entirety. The Property, real, personal and mixed, may be sold in one or more parcels, or in one sale or successive sales, as permitted by applicable law. Any person permitted by law to do so may purchase at any sale. Upon any sale, Trustee will execute and deliver to the purchaser or purchasers a deed or deeds conveying the Property sold, but without any covenant or warranty, express or implied, and the recitals in the Trustee's deed showing that the sale was conducted in compliance with all the requirements of law shall be prima facie evidence of such compliance and conclusive evidence thereof in favor of bona fide purchasers and encumbrancers for value.

9.3 Application of Sale Proceeds. The proceeds of any sale under this Deed of Trust will be applied in the following manner:

9.3.1 First, to payment of the costs and expenses of the sale, including, without limitation, Trustee's fees, attorney's fees and disbursements, title charges and transfer taxes, and payment of all expenses, liabilities and advances of Trustee, together with interest thereon, if permitted by law, from the date of disbursements at the Default Rate under the Note or the maximum rate permitted by applicable law, if less.

9.3.2 Second, to payment of all sums advanced or expended by Beneficiary on behalf of Grantor or to protect Beneficiary's interest in the Property in accordance with the terms of this Deed of Trust that have not yet been repaid, together with interest on such sums from date of disbursement at the Default Rate under the Note or the maximum rate permitted by applicable law, if less.

9.3.3 Third, to payment of all other indebtedness secured by this Deed of Trust (including, without limitation, any applicable late fees, prepayment fees, default interest, interest, principal and other charges) in any order that the Beneficiary chooses.

9.3.4 Fourth, the remainder, if any, to the person or persons legally entitled to it.

9.4 Waiver of Order of Sale and Marshalling. Beneficiary may take or release other security, release any party primarily or secondarily liable for any indebtedness secured hereby, and may grant extensions, renewals and indulgences with respect to such indebtedness and may enforce or apply any other security or proceeds in which it may have an interest to the indebtedness secured hereby simultaneously or in any order it may so choose. Grantor waives all rights to direct the order in which any of the Property will be sold in the event of any sale under this Deed of Trust, and also any right to have any of the Property marshalled upon any sale.

9.5 Right to Possession. In any case in which, under the provisions of this Deed of Trust, Beneficiary has a right to direct Trustee to sell the Property or to institute foreclosure proceedings, immediately upon demand of Beneficiary, Grantor shall surrender to Beneficiary and Beneficiary shall be entitled to take actual possession of the Property or any part thereof, personally or through its agent or representatives. In such event, Beneficiary, in its sole discretion, may enter upon and take and maintain possession of all or any part of the Property, together with all documents, books, records, papers and accounts of Grantor or then-owner of the Property relating thereto, and may exclude the Grantor, its agents and servants therefrom and may, as attorney-in-fact and agent of Grantor, or in its own name as Beneficiary under the powers herein granted, hold, operate, manage and control the Property and conduct the business thereof, including the completion of construction of any Improvements thereon, either personally or through its agents, and with full power to use such measures, legal or equitable, as in its discretion, or in the discretion of its successors or assigns, may be deemed proper and necessary to enforce the obligations of Grantor hereunder or under any of the other Loan Documents.

9.6 Appointment of Receiver. On the occurrence of an Event of Default hereunder, Beneficiary shall also be entitled, without notice, without bond, and without regard to the adequacy of the Property as security for the Loan, to the appointment of a receiver for the Property. The receiver shall have, in addition to all the rights and powers customarily given to or exercised by a receiver, all the rights and powers granted to Beneficiary hereunder or under any of the other Loan Documents, including, without limitation, the right to collect the Rents, and the right to complete any construction in progress on the Property and, in that connection, to pay bills, borrow funds, employ contractors, and make any changes in plans or specifications as Beneficiary deems reasonably necessary or appropriate. If the revenues produced by the Property are insufficient to pay expenses, the receiver may borrower from Beneficiary, or otherwise, or Beneficiary may borrow or advance, such sums as the receiver or Beneficiary may deem reasonably necessary for the purposes stated in this section. The amounts borrowed or advanced shall be payable by Grantor on demand and bear interest from the date of expenditure until repaid at the Default Rate described in the Note and shall become a part of the debt secured by this Deed of Trust.

9.7 Non-Waiver of Defaults. The entering upon and taking possession of the Property, the appointment of a receiver, the collection of any partial payment, Rents, the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of the Property, and the application or release thereof, as herein provided, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

9.8 Expenses During Redemption Period. If this Deed of Trust is foreclosed as a mortgage and the Property is sold at a foreclosure sale, the purchaser may, during any redemption period allowed, make such repairs or alterations on the Property as may be reasonably necessary for the proper operation, care, preservation, protection and insuring thereof. Any reasonable sums so paid, together with interest thereon from the time of such expenditure at the Note Rate (including any applicable Default Rate) or the highest rate permitted by applicable law, if less, shall be added to and become a part of the amount required to be paid for redemption from such sale.

9.9 Remedies Cumulative. To the fullest extent permitted by law, every right and remedy provided in this Deed of Trust is distinct from and cumulative to all other rights or remedies under this Deed of Trust or afforded by law or equity or any other agreement between Beneficiary and Grantor, and may be exercised concurrently, independently or successively, in any order whatsoever. Beneficiary may exercise any of its right and remedies at its option without regard to the adequacy of its security.

9.10 Beneficiary's and Trustee's Expenses. Grantor shall pay all of Beneficiary's and Trustee's reasonable expenses incurred in any effort to enforce any terms of this Deed of Trust, whether or not any suit is filed, including, without limitation, attorney's fees and disbursements, foreclosure costs and title charges. All such sums, with interest thereon, shall be additional indebtedness of Grantor secured by this Deed of Trust. Such sums shall be due and payable ten (10) days after Beneficiary's demand therefor, and shall bear interest from the due date at the Default Rate under the Note, or the maximum rate that may be collected from Grantor under applicable law, if less.

ARTICLE X – GENERAL PROVISIONS

10.1 Application of Payments. Except as otherwise provided under applicable law, this Deed of Trust or any other Loan Documents, all payments received by Beneficiary under the Note or this Deed of Trust shall be applied by Beneficiary in the following order of priority:

10.1.1 Beneficiary's reasonable attorney's and trustee's fees, costs of collection and advances made to protect the security of this Deed of Trust, together with interest thereon, any prepayment fee and any amounts payable to Beneficiary by Grantor under Article IV for reserves, if required by Beneficiary;

10.1.2 Interest and late charges, including Default Interest payable under the Note or this Deed of Trust; and

10.1.3 Principal of the Note;

or in such other order as Beneficiary may determine in its sole discretion.

10.2 Reconveyance. Upon payment of all sums secured by this Deed of Trust, Beneficiary shall request Trustee to reconvey the Property and shall surrender to Trustee this Deed of Trust and all notes evidencing indebtedness secured by this Deed of Trust. Trustee shall reconvey the Property without warranty to the person or persons legally entitled thereto. The grantee in any reconveyance may be described as the "person or persons legally entitled thereto," and the recitals therein of any matters or facts shall be conclusive proof of the truthfulness thereof. Such person or persons shall pay Trustee's reasonable costs incurred in so reconveying the Property.

10.3 Successor Trustee. In accordance with applicable law, Beneficiary may from time to time appoint a successor trustee to any Trustee appointed hereunder. Without conveyance of the Property, the successor trustee shall succeed to all the title, power and duties conferred upon the Trustee herein and by applicable law.

10.4 Beneficiary's Powers. Without affecting the liability of any person for payment or performance of the Secured Obligations, Beneficiary, at its option, may extend the time for payment of the indebtedness secured hereby or any part thereof, reduce payment thereon, release anyone liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of the indebtedness, release the lien of this Deed of Trust on any part of the Property, take or release other or additional security, release or reconvey or cause to be released or reconveyed all or any part of the Property, consent or cause Trustee to consent to the making of any map or plat of the Property, consent or cause Trustee to consent to the granting of any easement or the creating of any restriction on the Property, or join or cause

Trustee to join in any subordination or other agreement affecting this Deed of Trust or the lien or charge hereof. Grantor shall pay Beneficiary a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Beneficiary's option, for any such action if taken at Grantor's request. If Grantor shall grant any lien, mortgage or deed of trust on the Property junior to this Deed of Trust, such junior lien, mortgage or deed of trust shall be subject to all such renewals and extensions, modifications, releases, increases, changes or exchanges, without the consent of such junior lienholder, mortgage holder or deed of trust beneficiary, and without any obligation to give notice of any kind thereto.

10.5 No Violation of Usury Laws. Interest, fees and charges collected or to be collected in connection with the indebtedness secured hereby shall not exceed the maximum, if any, permitted by any applicable law. If any such law is interpreted so that said interest, fees or charges would exceed any such maximum and Grantor is entitled to the benefit of such law, then: (i) such interest, fees or charges shall be reduced to the permitted maximum, and (ii) any sums already paid to Beneficiary that exceeded the permitted maximum shall be refunded. Beneficiary may choose to make the refund either by treating the payments, to the extent of the excess, as prepayments of principal (in this case, without any prepayment fee) or by making a direct payment to the persons entitled thereto. The provisions of this Section 10.6 shall control over any inconsistent provision of this Deed of Trust, the Note or any other Loan Documents.

10.6 Additional Documents; Power of Attorney. From time to time, upon reasonable request of Beneficiary, Grantor shall execute, acknowledge and deliver to Beneficiary and, if appropriate, file and record, such security agreements, assignments for security purposes, assignments absolute, financing statements, affidavits, certificates and other documents, in form and substance satisfactory to Beneficiary, as Beneficiary may reasonably request in order to perfect, preserve, continue, extend or maintain the assignments herein contained, the lien and security interest under this Deed of Trust, and the priority thereof. Grantor shall pay to Beneficiary, upon request therefor, all reasonable costs and expenses incurred in connection with the preparation, execution, recording and filing of any such document.

10.7 Forbearance by Beneficiary Not a Waiver. Any forbearance by Beneficiary in exercising any right or remedy hereunder or otherwise afforded by applicable law shall not be a waiver of or preclude the exercise of any other right or remedy, and no waiver by Beneficiary of any particular default by Grantor shall constitute a waiver of any other default or of any similar default in the future. Without limiting the generality of the foregoing, the acceptance by Beneficiary of payment of any sum secured by this Deed of Trust, after the due date thereof, shall not be a waiver of Beneficiary's right either to require prompt payment when due of all other sums so secured, or to declare a default for failure to make prompt payment. The procurement of insurance or the payment of taxes or other liens or charges by Beneficiary shall not be a waiver of Beneficiary's right to accelerate the maturity of the indebtedness secured by this Deed of Trust, nor shall Beneficiary's receipt of any awards, proceeds or damages under Sections 3.3 and 3.7 operate to cure or waiver Grantor's default in payment of sums secured by this Deed of Trust.

10.8 Modifications. This Deed of Trust cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought.

10.9 Notices. All notices required or permitted hereunder shall be in writing, effective upon delivery, and shall be: (i) delivered in person, (ii) sent by certified mail, postage prepaid, with return receipt requested, to the appropriate address below (such mailing to be deemed received on the sooner of actual receipt or three (3) days after mailing), or (iii) dispatched by facsimile transmission (accompanied with reasonable evidence of receipt of transmission and with a confirmation copy mailed no later than the day after transmission), and with copies as set forth below:

Grantor: Museum of Glass
1801 Dock St,
Tacoma, WA 98402

Beneficiary: City of Tacoma
747 Market Street, Room 900
Tacoma, WA 98402

Notice of a change of address or facsimile transmission number shall be given by written notice in the manner detailed above.

10.10 Governing Law; Severability. This Deed of Trust shall be governed by the laws of the State of Washington, without regard to that State's conflicts or choice of law rules, with venue in Pierce County. If any provision or clause of this Deed of Trust conflicts with applicable law, such conflict shall not affect other provisions or clauses hereof that can be given effect without the conflicting provision, and to this end the provisions hereof are declared to be severable.

10.11 Exhibits. All exhibits referred to in and attached to this Deed of Trust are incorporated herein by reference.

10.12 Definitions. As used herein, the term "Grantor" means the Grantor herein named, together with any subsequent owner of the Property or any part thereof or interest therein; the term "Trustee" means the Trustee herein named, together with any successor Trustee; and the term "Beneficiary" means the Beneficiary herein named, together with any subsequent owner or holder of the Note or any interest therein, including pledgees, assignees and participants.

10.13 Successors and Assigns Bound; Joint and Several Liability; Agents. Grantor acknowledges that Beneficiary may freely assign, transfer, pledge or grant participation rights in the Note, the Deed of Trust and the Loan Documents. This Deed of Trust shall bind and inure to the benefit of the parties hereto and their respective heirs, devisees, legatees, administrators, executors, successors and assigns, subject to the restrictions on transfer contained in Article v. All obligations of Grantor hereunder are joint and several. In exercising any rights hereunder or taking actions provided for herein, Beneficiary and Trustee may act through their respective employees, agents or independent contractors as authorized by Beneficiary.

10.14 Time. Time is of the essence in connection with all obligations of Grantor under, and Grantor shall strictly comply with all of the terms and conditions of this Deed of Trust, the Note and any other Loan Documents.

10.15 Attorney's Fees. In the event any effort or action is reasonably undertaken, whether or not a lawsuit is instituted, to enforce or interpret any provision of this Deed of Trust or other Loan Documents, each party shall bear its own attorney fees and costs.

10.18 Entire Agreement. This Deed of Trust, together with the other Loan Documents, represents the entire agreement of the parties with respect to the Loan and supersedes any all prior oral or written agreements with respect thereto.

10.19 Section Headings. The headings of the various sections have been inserted for convenience of reference only, and shall not be used to construe this Deed of Trust.

10.20 Joint and Several Liability. If there is more than one Grantor of this Deed of Trust, their obligations shall be joint and several.

NOTICE CONCERNING ORAL AGREEMENTS

Oral agreements or oral commitments to loan money, extend credit or to forbear from enforcing repayment of a debt are not enforceable under Washington law.

EXECUTED as of the date first set forth above.

GRANTOR:

Museum of Glass

By: ____________________________
Deborah Lenk
Its: Director

STATE OF WASHINGTON)
) ss.
County of Pierce)

I certify that I know or have satisfactory evidence that Deborah Lenk is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledge it as the Manager of 26th & Alder Partners, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED this ______ day of __________________, 2026.

____
Name: ______________________________
Notary Public in and for the State of
Washington, residing at: ________________
My Appointment Expires: ______________

EXHIBIT "A"
LEGAL DESCRIPTION OF MUSEUM OF GLASS PROPERTY SITUATE IN THE COUNTY OF PIERCE, STATE OF WASHINGTON.

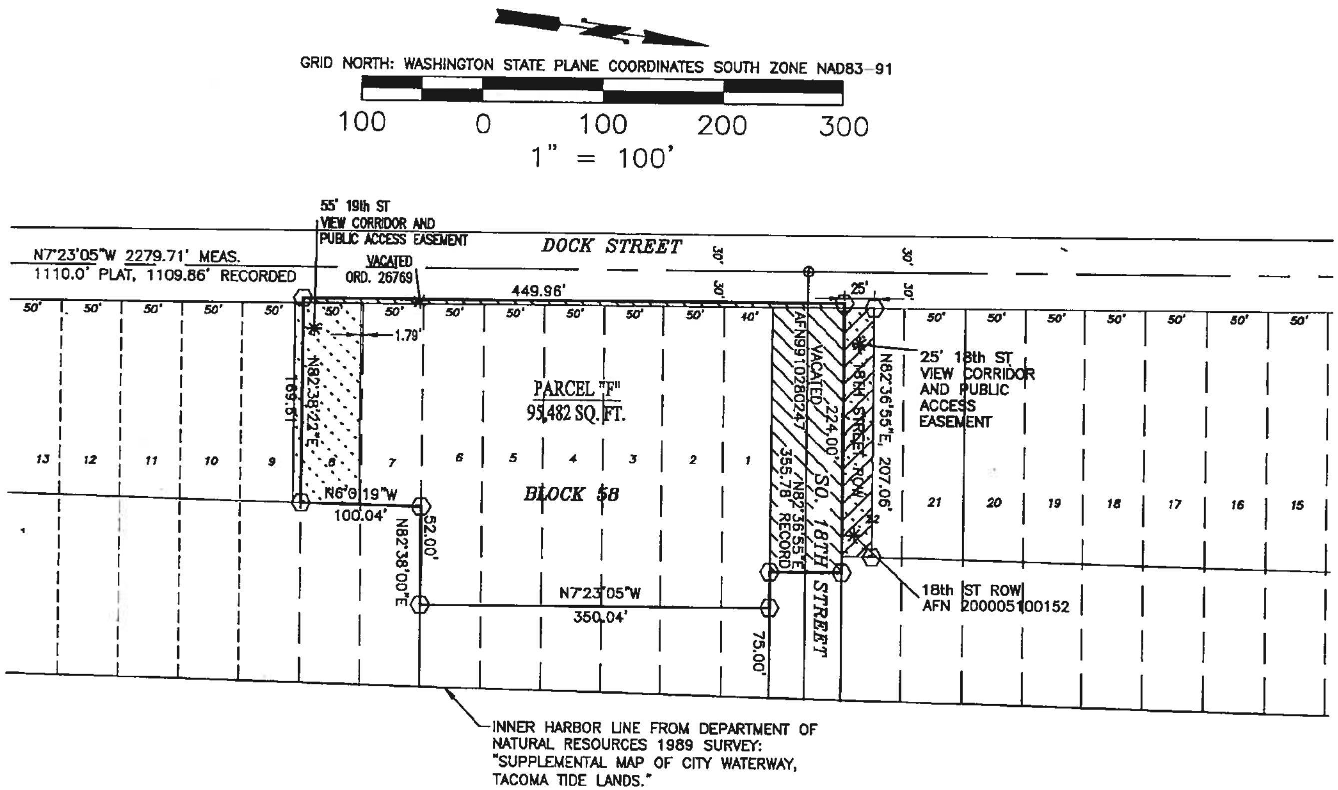


EXHIBIT A
LEGAL DESCRIPTION OF THE PROPERTY

Lots 1 through 8, inclusive, Block 58, Map of Tacoma Tidelands filed in the Office of the Commissioner of Public Lands at Olympia, Washington, September 3, 1895, and the adjacent vacated Dock Street right of way.

Except the easterly 75 feet of Lots 1 through 6 inclusive, and

Except the easterly 150 feet of Lots 7 and 8 of said Block 58.

Also known as Parcel "F" of BLA 9707280319 and 200005245002.

Together with the vacated 18th Street right of way adjacent to Block 58

As modified by the attached sheets - Levels 1 through 4.

EXHIBIT A

MUSEUM OF GLASS
LEGAL DESCRIPTIONS
PARCEL LOCATION
MARCH, 2004

MUSEUM OF GLASS
LEGAL DESCRIPTIONS

LEVEL 1 (Elev. Below 18')

Museum Ownership

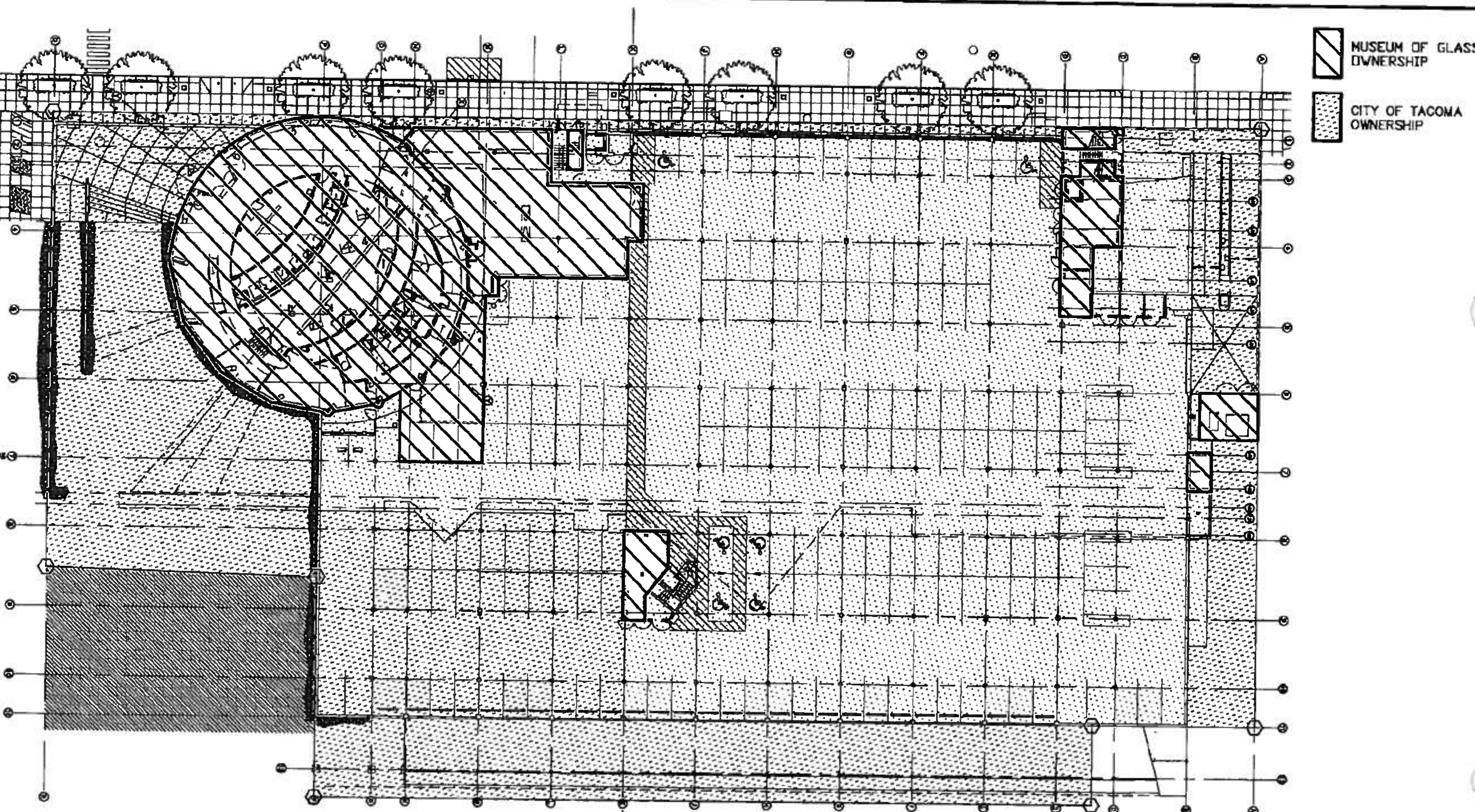
Transformer (Room 125)
Commencing at the intersection of grid line "1" (one) and grid line "A", thence East, 95 feet 7 inches, to the point of beginning; thence East, 16 feet 8 inches; thence South, 20 feet 4 inches; thence West, 16 feet 8 inches; thence North, 21 feet 4 inches to the point of beginning.

Level 2 Exit Stairs (Stair No. 5)
Commencing at the intersection of grid line "1" (one) and grid line "A", thence East, 118 feet 7 inches; thence South, 17 feet 8 inches to the point of beginning; thence South, 7 feet 4 inches; thence East, 13 feet 4 inches; thence North, 7 feet 4 inches; thence West 13 feet 4 inches to the point of beginning.

Pool Mechanical Room (Room 118)
Commencing at the intersection of grid line "1" (one) and grid line "A", thence East, 150 feet 3 inches; thence South, 234 feet 9 inches to the point of beginning; thence East, 31 feet 6 inches; thence North, 7 feet; thence West, 9 feet 4 inches; thence North 51°30'West, 13 feet 4 inches; thence West, 12 feet 9 inches; thence South, 15 feet 4 inches to the point of beginning.

Exit Stairs - Dock Street (Stair No. 2)
Commencing at the intersection of grid line "1" (one) and grid line "A", thence South, 254 feet 3 inches to the point of beginning; thence East, 14 feet; thence South, 4 feet; thence West, 14 feet; thence North, 4 feet to the point of beginning.

Cone, Mechanical Room and Event Storage
Commencing at the intersection of grid line "1" (one) and grid line "A", thence South 315 feet 3 inches; thence East, 1 foot to the point of beginning; thence North, 49 feet 2 inches; thence East, 20 feet; thence North, 35 feet 6 inches; thence East, 18 feet 4 inches; thence South, 5 feet 8 inches; thence East, 14 feet 6 inches; thence South, 49 feet 8 inches; thence East, 8 feet; thence South 2 feet 8 inches; thence East, 48 feet; thence South, 23 feet 4 inches; thence West 16 feet; thence South 30°53'East, 17 feet 8 inches; thence South 10°22'40"East, 19 feet 6 inches; thence South 10°05'36"West, 20 feet 6 inches; thence South 30°53'West, 22 feet 4 inches; thence South 52°36'38"West, 23 feet 6 inches; thence South 75°59'43"West, 24 feet 2 inch; thence North 78°32'21"West, 13 feet 4 inches; thence North 54°54'33"West, 14 feet to a point of curvature which radius point bears North 33°28'37"East, 57 feet 6 inches; thence along said curve 85 feet 7.5 inches through a central angle of 85°24'35"; thence North 45° West, 6 feet 6 inches to the point of beginning. Also, the stair area South of the "P" line, West of the "7.75" line, East of the "1" line, North of the "Q" line, and out side the building; as shown on Level 2 of the City of Tacoma approved construction plans for the Museum of Glass.



Exit Stairs - Loading Dock (Stair No. 1)
Commencing at the intersection of grid line "1" (one) and grid line "A", thence South, 51 feet 6 inches; thence West, 2 feet 6 inches to the point of beginning; thence South 20 feet 9 inches; thence East, 5 feet 9 inches; thence North 17 feet 3 inches; thence West 4 feet 3 inches; thence North 3 feet 6 inches; thence West, 1 foot 6 inches to the point of beginning.

Communications, Elevator No. 3 and Equipment Rooms Commencing at the intersection of grid line "1" (one) and grid line "A", thence South, 51 feet 4 inches; thence East, 15 feet 1 inch to the point of beginning; thence East, 24 feet 8 inches; thence South 10 feet 10 inches; thence East, 26 feet 4 inches; thence South, 10 feet; thence West, 50 feet 8 inches; thence North, 6 feet 6 inches; thence West, 5 feet; thence North, 11 feet 4 inches; thence East 5 feet; thence North 3 feet to the point of beginning.

Museum Easements

The Museum of Glass will maintain an access and utilities easement for the purpose of installing, repairing and operating those utilities owned by the Museum of Glass and installed in the areas owned by the City as described above. These utilities are those on Level 1, 2, 3 and 4, as shown on the approved construction plans and any approved addenda to those plans, as approved by the City.

The Museum reserves the right to place donor recognition elements, signage and lighting on the building, garage and plaza as described in the final construction plans and as approved by City.

City Ownership

The remainder of Level One not described above.

City Easements

The City will maintain an access and utilities easement for the purpose of installing, repairing and operating those utilities owned by the City and installed in the areas owned by the Museum of Glass as described above. These utilities are those on Level 2, 3 and 4, as shown on the construction plans and any approved addenda to those plans, as approved by the City.

Note: Grid "A" lies 30 feet north of the monumental centerline intersection of Dock Street and South 18th Street, at right angles to Dock Street to the south.
Grid "1" (one) lies 30 feet east and parallel to the monumented centerline of Dock Street.

40' 0 40' 80'

MUSEUM OF GLASS
LEGAL DESCRIPTIONS
LEVEL 1
JUNE, 2004
PAGE 2 OF 5

Tacoma

FILE NAME: I:\ACAD\SpecialProjects\DRAWINGS\EDON-DEV\FOSS\18th to 23rd Streets\Development Sites\MG\6-01 Boundaries\Legal\03-25-04\Legal_L1-Base_032504.dwg

MUSEUM OF GLASS
LEGAL DESCRIPTIONS

LEVEL 2 (Elev. 18' to 36')

City Ownership

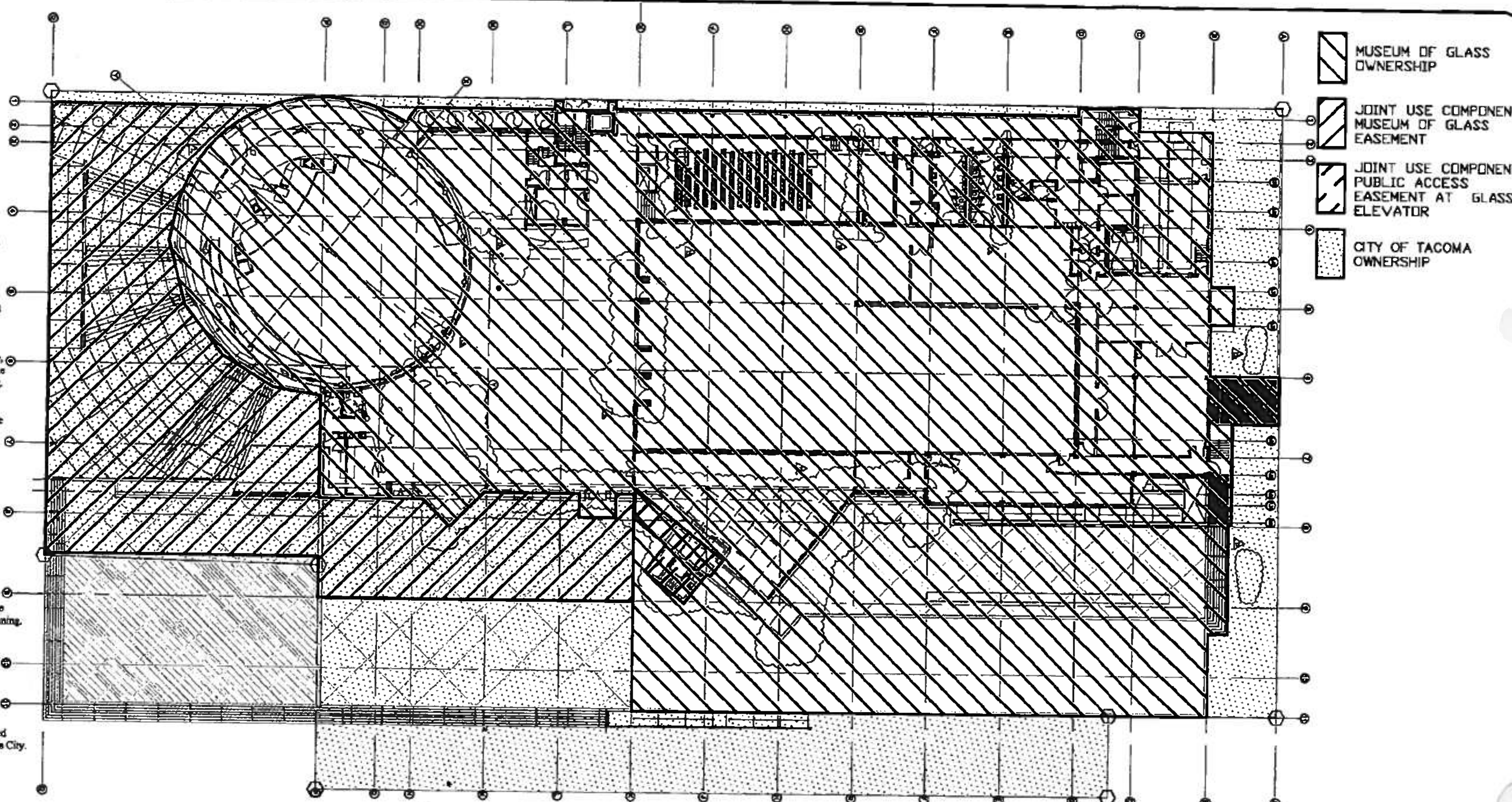
Elevator Shaft No. 1. Commencing at the intersection of Grid line "A" and "1" (one), thence South, 244 feet 3 inches; thence East, 1 foot to the point of beginning; thence East, 6 feet 6 inches; thence South 9 feet; thence West, 6 feet 6 inches; thence North 9 feet to the point of beginning.

Plaza East of Museum Entry Doors. That part of level 2 South of the "K" line, East of the "1" (one) line, and West of the "11" (eleven) line outside of the building. The building is defined as the structure shown on the Level 2 construction plans and the stair and landing area north of the "P" line.

City Access and Utility Easements

Elevator No. 2. Commencing at the intersection of Grid line "A" and "1" (one), thence East, 139 feet 9 inches; thence South, 234 feet 9 inches to the point of beginning; thence North, 9 feet; thence North 38°30'East, 33 feet; thence South 51°30' East, 25 feet 8 inches; thence South 38°30'West, 18 feet 8 inches; thence North 51°30'West, 12 feet 6 inches; thence South 38°30'West, 15 feet 4 inches to the "K" gridline, thence West, 9 feet 8 inches to the point of beginning.

The City will maintain an access and utilities easement for the purpose of installing, repairing and operating those utilities owned by the City and installed in the areas owned by the Museum of Glass as described above. These utilities are those on Level 2, 3 and 4, as shown on the construction plans and any approved addenda to those plans, as approved by the City.



LEVEL 2 (Elev. 18 feet and above)

Museum Ownership

Museum Building, Reflecting Pool and North Plaza. Commencing at the intersection of Grid line "A" and "1" (one), thence East, 5 feet; thence South, 25 feet to the point of beginning; thence South, 26 feet 6 inches; thence West, 8 feet 8 inches; thence South, 22 feet 6 inches; thence East, 3 feet 4 inches; thence South 170 feet; thence West, 3 feet 4 inches; thence South, 3 feet; thence East, 3 feet 6 inches; thence south, 16 feet 6 inches; thence West, 3 feet 6 inches; thence South, 3 feet; thence East, 3 feet 4 inches; thence South, 50 feet; thence South 51°30' East, 7 feet to a point of non-tangent curve which radius point bears South 57°53'47"East, 56 feet 8 inches; thence southerly along said curve 72 feet 3 inches, through a central angle of 73°06'10" to a point of curvature which radius point bears North 47°52'21" East, 52 feet 6 inches; thence along said curve 27 feet 11 inches through a central angle of 30°27'34"; thence South 86°51'14"East, 18 feet 11 inches; thence North 74°35'33"East, 17 feet 3 inches; thence North 59°15'44"East, 10 feet 3 inches; thence North 54°46'East, 17 feet; thence North 3°42'18" East, 20 feet 2 inches; thence North 10°05'36"East, 17 feet 2 inches to the "P" gridline; thence East, 37 feet 3 inches; thence North, 36 feet 8 inches; thence North 45° East, 15 feet 8 inches; thence North 45° West, 15 feet 8 inches; thence North, 36 feet 2 inches; thence East, 6 feet; thence North, 13 feet 6 inches; thence West, 6 feet; thence North, 6 feet; thence East, 78 feet 8 inches to the "11" gridline; thence North, 209 feet 9 inches to the "B" gridline; thence West 30 feet; thence North 7 feet; thence West 40 feet; thence North 1 foot; thence West 37 feet; thence North 17 feet; thence West 18 feet; thence South 25 feet; thence West 19 feet; thence North 8 feet; thence West 14 feet; thence South 8 feet; thence West 58 feet to the point of beginning being all property north of the "K" line, including the Reflecting Pool and the North Plaza, and all air and other rights above built on the property north of the "K" line.

Museum Utility, Structural Support and Entry Plaza/Dock Street 'Activity Control' Easement
That patio and stairs area East of the "1" (one) line, West of the "9" line and south of the "K" line outside of the building. The building is defined as the structure shown on the Level 2 construction plans and the stair and landing area north of the "P" line. Less the East 15 feet of the South 90 feet of the above described.

The Museum of Glass will maintain an access and utilities easement for the purpose of installing, repairing and operating those utilities owned by the Museum of Glass and installed in the areas owned by the City as described above. These utilities are those on Level 1, 2, 3 and 4, as shown on the approved construction plans and any approved addenda to those plans, as approved by the City.

The Museum reserves the right to place donor recognition elements, flag poles and lighting, signage and lighting on the building and plaza as described in the final construction plans and as approved by City.

The Museum reserves the right to utilize the area of the Activity Control easement for outdoor dining, including serving alcoholic beverages, subject to the requirements of Washington State Liquor Control Board (or other agency) as long as the public access is maintained.

Note: Grid "A" lies 30 feet north of the monumented centerline intersection of Dock Street and South 18th Street, at right angles to Dock Street to the south.
Grid "1" (one) lies 30 feet east and parallel to the monumented centerline of Dock Street.

40' 0 40' 80'

MUSEUM OF GLASS
LEGAL DESCRIPTIONS
LEVEL 2
JUNE, 2004
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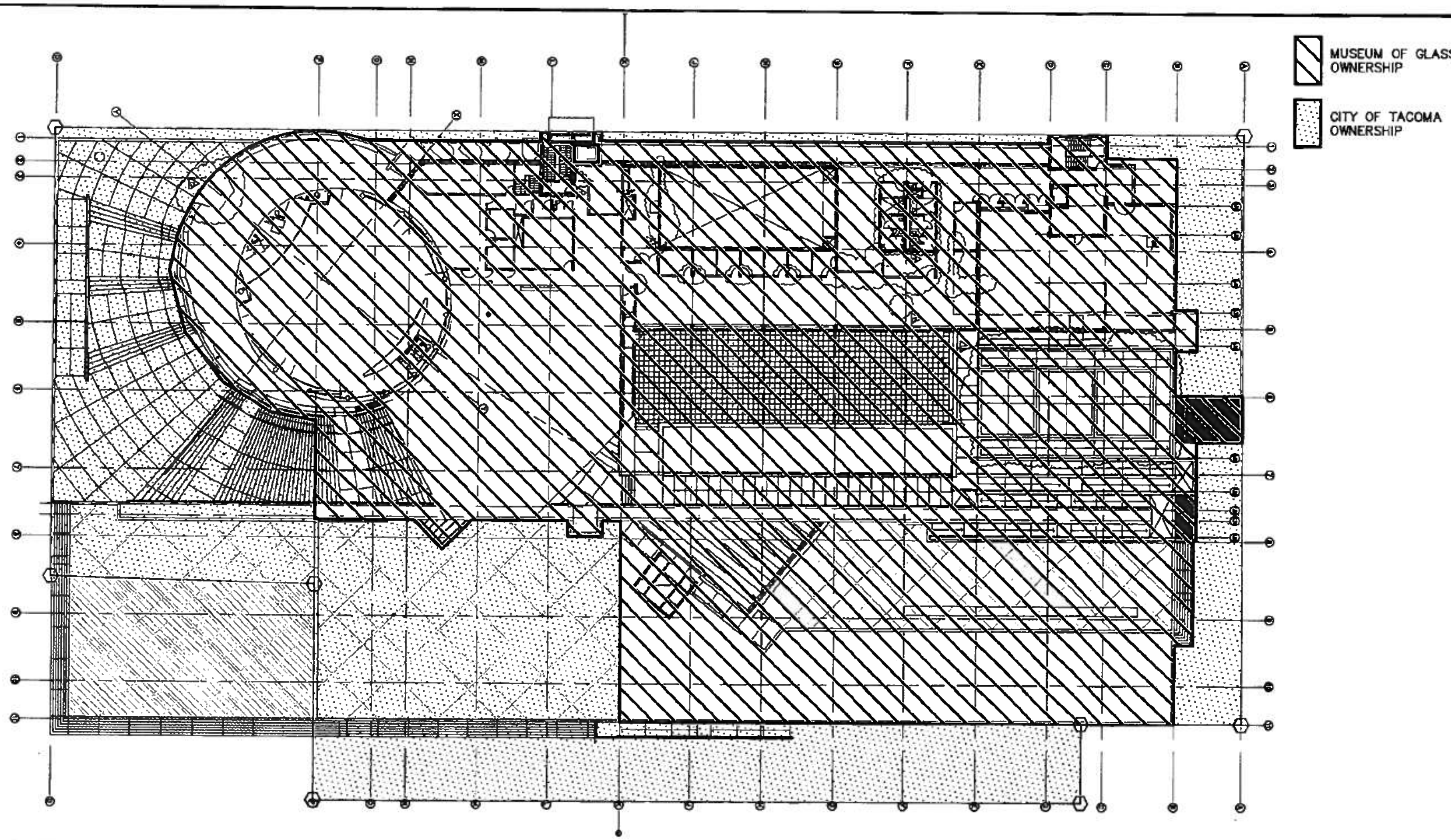
Tacoma

FILE NAME: I:\CAD\SpecialProjects\DRAWINGS\ECON-DEV\FOSS\15th to 23rd Streets\Development Sites\GS\6-01 Boundaries\Legal\03-25-04\Legal_L2-Base_032504.dwg



MUSEUM OF GLASS
LEGAL DESCRIPTIONS

LEVEL 3 (Elev. 34' to 48.57')

<u>City Ownership</u>

<u>Elevator Shaft No. 1.</u> Commencing at the intersection of Grid line "A" and "1" (one), thence South, 244 feet 3 inches; thence East, 1 foot to the point of beginning; thence East, 6 feet 6 inches; thence South 9 feet; thence West, 6 feet 6 inches; thence North 9 feet to the point of beginning.

<u>Public Access and Utility Easements</u>

The City will maintain an access and utilities easement for the purpose of installing, repairing and operating those utilities owned by the City and installed in the areas owned by the Museum of Glass as described above. These utilities are those on Levels 2, 3 and 4, as shown on the construction plans and any approved addenda to those plans, as approved by the City. Also, the stair area South of the "P" line, West of the "7.75" line, East of the "1" line, North of the "Q" line, and out side the building as shown on Level 2 of the City of Tacoma approved construction plans for the Museum of Glass

<u>Museum Ownership</u>

Same as level 2

<u>Museum Easements</u>

The Museum of Glass will maintain an access and utilities easement for the purpose of installing, repairing and operating those utilities owned by the Museum of Glass and installed in the areas owned by the City as described above. These utilities are those on Levels 1, 2, 3 and 4, as shown on the approved construction plans and any approved addenda to those plans, as approved by the City.

The Museum reserves the right to place donor recognition elements, signage and lighting on the building and plaza as described in the final construction plans and as approved by City.

Note: Grid "A" lies 30 feet north of the monumented centerline intersection of Dock Street and South 18th Street, at right angles to Dock Street to the south.
Grid "1" (one) lies 30 feet east and parallel to the monumented centerline of Dock Street.

MUSEUM OF GLASS
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LEVEL 3
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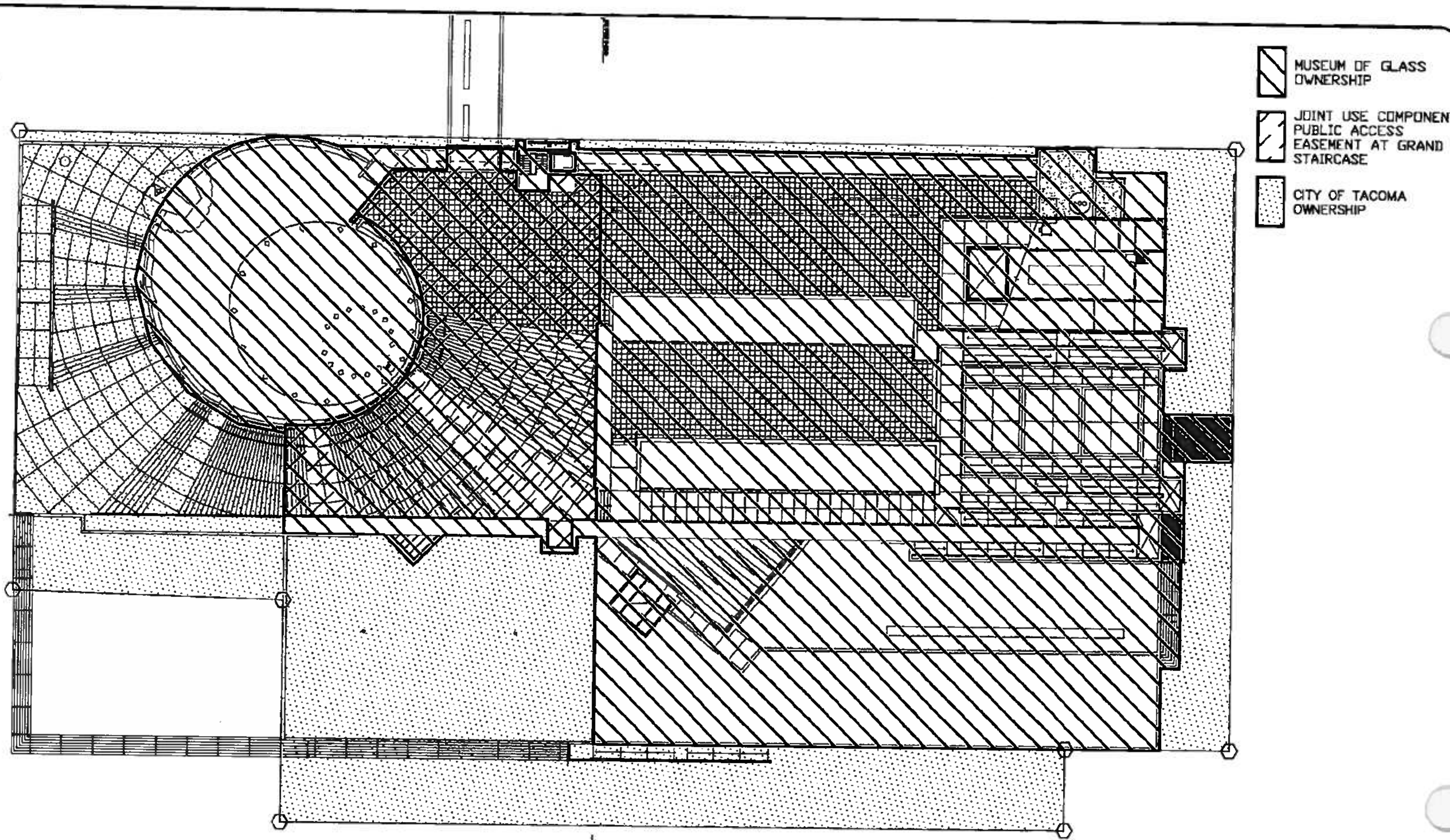

MUSEUM OF GLASS
LEGAL DESCRIPTIONS

LEVEL 4 (Elev. 48.57' and above)

City Ownership

Elevator Shaft No. 1. Commencing at the intersection of Grid line "A" and "1" (one), thence South, 244 feet 3 inches; thence East, 1 foot to the point of beginning; thence East, 6 feet 6 inches; thence South 9 feet; thence West, 6 feet 6 inches; thence North 9 feet to the point of beginning, all of said property extending to the top of the elevator shaft at elevation 63 feet 10 inches. Such that the Museum of Glass owns the roof structure.

Public Access, Structural Support and Utility Easement

Grand Staircase Public Access and Utilities Easement. Commencing at the intersection of gridline "A" and gridline "1" (one) at elevation 48.57, thence South, 234 feet 9 inches to the "K" gridline; thence East, 8 feet 10 inches to the point of beginning; thence South, 19 feet; thence East, 6 feet; thence South, 12 feet; thence West, 7 feet; thence South, 6 feet; thence West, 9 feet; thence South, 20 feet; thence East, 9 feet; thence South, 20 feet 4 inches; thence South 51°30'East, 24 feet 6 inches; thence North 22°15'30"East, 1 foot 6 inches; thence North 51°30'West, 3 feet 4 inches to a non-tangent curve concave to the south which radius point bears South 65°43'24"East, 40 feet 11 inches; thence along said curve 111 feet 3 inches through a central angle of 155°43'24" to a point of tangency; thence South, 10 feet 8 inches to the "P" gridline at elevation 29.07; thence East 33 feet 8 inches; thence North, 97 feet 6 inches; thence East, 10 feet 6 inches; thence North, 9 feet; thence West, 10 feet 6 inches; thence North, 8 feet 11 inches to the "K" gridline; thence West 11 feet 8 inches; thence South, 8 inches; thence West, 61 feet 6 inches; thence North, 8 inches; thence West, 56 feet to the point of beginning. Also, the stair area South of the "P" line, West of the "7.75" line, East of the "1" line, North of the "Q" line, and out side the building; as shown on Level 2 of the City of Tacoma approved construction plans for the Museum of Glass.

The Museum of Glass reserves the right to place donor recognition elements, signage and lighting on the stairs and plazas subject to City approval of design.

The City will maintain an access and utilities easement for the purpose of installing, repairing and operating those utilities owned by the City and installed in the areas owned by the Museum of Glass as described above. These utilities are those on Levels 2, 3 and 4, as shown on the construction plans and any approved addenda to those plans, as approved by the City.

Museum Ownership

Same as Level 2.

Museum Utilities Easements

The Museum of Glass will maintain an access and utilities easement for the purpose of installing, repairing and operating those utilities owned by the Museum of Glass and installed in the areas owned by the City as described above. These utilities are those on Level 1, 2, 3 and 4, as shown on the approved construction plans and any approved addenda to those plans, as approved by the City.

Note: Grid "A" lies 30 feet north of the monumented centerline intersection of Dock Street and South 18th Street, at right angles to Dock Street to the south.
Grid "1" (one) lies 30 feet east and parallel to the monumented centerline of Dock Street.

40' 0 40' 80'

MUSEUM OF GLASS
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Tacoma

FILE NAME: I:\ACAD\SpecialProjects\DRAWINGS\ECON-DEV\F0051\15th to 23rd Streets\Development Sites\MA\5-01 Boundaries\Legal\03-25-04\Legal_L4-Base_032504.dwg