



200503170086

Skagit County Auditor

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16 12:45PM

RECORDED AT THE REQUEST OF:
AND AFTER RECORDING RETURN TO:

David W. Forti, Esquire
Dechert LLP
4000 Bell Atlantic Tower
1717 Arch Street
Philadelphia, PA 19103

115062-T
LAND TITLE OF SKAGIT COUNTY

Assignment of Leases and Rents

Grantor (Assignor): PPR Cascade LLC

Grantee (Assignee): Commerzbank AG, New York Branch

Abbreviated Legal Description: Lots 1, 2, 3, 4 & 6, Cascade Mall Binding Site Plan
Official legal description on Exhibit A

Assessor's Tax Parcel ID#: P23860 (Lot 1), P23863 (Lot 2), P23866 (Lot 3), P23869 (Lot 4),
P23857 (portion of Lot 6), P120093 (portion of Lot 6)

Reference # (If applicable):

1036926.6.PHI_BUSTAX_01

ASSIGNMENT OF LEASES AND RENTS

from

PPR CASCADE LLC

(Assignor)

to

COMMERZBANK AG, NEW YORK BRANCH

(Assignee)

Dated as of March 17, 2005

Property:

Cascade Mall

Burlington, Washington (Skagit County)



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16:12:45PM

UNOFFICIAL DOCUMENT

THIS ASSIGNMENT OF LEASES AND RENTS (this "Assignment") is made as of the 17 day of March, 2005, by PPR CASCADE LLC, a Delaware limited liability company, as assignor, having its principal place of business at c/o The Macerich Company, 401 Wilshire Boulevard, Suite 700, Santa Monica, California 90401 ("Borrower") to COMMERZBANK AG, NEW YORK BRANCH, as assignee, having an address at 2 World Financial Center, 34th Floor, New York, New York 10281 (together with its successors and assigns, "Lender").

W I T N E S S E T H

WHEREAS, this Assignment is given in connection with a loan in the principal sum of FORTY ONE MILLION AND NO/100 DOLLARS (\$41,000,000.00) (the "Loan") made by Lender to Borrower pursuant to that certain Loan Agreement dated as of the date hereof (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Loan Agreement") and evidenced by that certain Promissory Note dated as of the date hereof made by Borrower to Lender (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Note");

WHEREAS, the Note is secured by, among other things, that certain Deed of Trust, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated the date hereof (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the "Deed of Trust") made by Borrower for the benefit of Lender; and

WHEREAS, Borrower desires to further secure the payment of the Debt (as defined in the Loan Agreement) and the performance of all of its obligations under the Note, the Loan Agreement and the other Loan Documents.

NOW THEREFORE, in consideration of the making of the Loan by Lender and the covenants, agreements, representations and warranties set forth in this Assignment:

ARTICLE 1 - ASSIGNMENT

Section 1.1 PROPERTY ASSIGNED. Borrower hereby absolutely and unconditionally assigns, conveys and grants to Lender the following property, rights, interests and estates, now owned, or hereafter acquired by Borrower:

(a) Leases. All existing and future "leases" and "lease provisions" (as such terms are defined in Exhibit B annexed hereto and made a part hereof) affecting the use, enjoyment, occupancy or possession of all or any part of that certain lot or piece of land, more particularly described in Exhibit A annexed hereto and made a part hereof, or all or any part of the buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter located thereon (collectively, the "Property"), and all right, title and interest of Borrower, its successors and assigns, therein and thereunder.



(b) Other Leases and Agreements. All other leases and other agreements, whether or not in writing, affecting the use, enjoyment, occupancy or possession of the Property or any portion thereof, now or hereafter made, whether made before or after the filing by or against Borrower of any petition for relief under the Bankruptcy Code, together with any extension, renewal or replacement of the same, this Assignment of other present and future leases and future agreements being effective without further or supplemental assignment. The "leases" and the "lease provisions" described in Subsection 1.1(a) and the leases and other agreements described in this Subsection 1.1(b) are collectively referred to as the "Leases".

(c) Rents. All "rents" (as defined in Exhibit B annexed hereto and made a part hereof) whether paid or accruing before or after the filing by or against Borrower of any petition for relief under the Bankruptcy Code (collectively, the "Rents").

(d) Bankruptcy Claims. All of Borrower's claims and rights (the "Bankruptcy Claims") to the payment of damages arising from any rejection by a lessee of any Lease under the Bankruptcy Code.

(e) Lease Guaranties. All of Borrower's right, title and interest in and claims under any and all lease guaranties, letters of credit and any other credit support (individually, a "Lease Guaranty", collectively, the "Lease Guaranties") given by any guarantor in connection with any of the Leases or leasing commissions (individually, a "Lease Guarantor", and collectively, the "Lease Guarantors") to Borrower.

(f) Proceeds. All proceeds from the sale or other disposition of the Leases, the Rents, the Bankruptcy Claims and Lease Guaranties.

(g) Other. All rights, powers, privileges, options and other benefits of Borrower as lessor under the Leases and beneficiary under the Lease Guaranties, including, without limitation, the immediate and continuing right to make claim for, receive, collect and receipt for all Rents payable or receivable under the Leases and all sums payable under the Lease Guaranties or pursuant thereto (and to apply the same to the payment of the Debt), and to do all other things which Borrower or any lessor is or may become entitled to do under the Leases or the Lease Guaranties.

(h) Entry. The right, at Lender's option, upon revocation of the license granted herein, to enter upon the Property in person, by agent or by court-appointed receiver, to collect the Rents.

(i) Power of Attorney. Borrower's irrevocable power of attorney, coupled with an interest, to take any and all of the actions set forth in Section 3.1 of this Assignment and any or all other actions designated by Lender for the proper management and preservation of the Property.

(j) Other Rights and Agreements. Any and all other rights of Borrower in and to the items set forth in subsections (a) through (i) above, and all amendments, modifications, replacements, renewals and substitutions thereof.

ARTICLE 2 - TERMS OF ASSIGNMENT

Section 2.1 PRESENT ASSIGNMENT AND LICENSE BACK. It is intended by Borrower

that this Assignment constitute a present, absolute assignment of the Leases, Rents, Lease Guaranties and Bankruptcy Claims, and not an assignment for additional security only. Nevertheless, subject to the terms of this Section 2.1 and the Cash Management Agreement, Lender grants to Borrower a revocable license to collect, receive, use and enjoy the Rents and the Leases, as well as other sums due under the Lease Guaranties. Borrower shall hold the Rents, as well as all sums received pursuant to any Lease Guaranty, or a portion thereof sufficient to discharge all sums then due on the Debt, in trust for the benefit of Lender for use in the payment of such sums prior to any other application of the Rents and such sums. From and after the occurrence of an Event of Default, and without the necessity of notice or prior demand by Lender or Lender's entering upon and taking and maintaining control of the Property (whether directly or through a receiver), the license granted hereunder to Borrower shall terminate automatically, and Lender shall be entitled to receive and collect the Rents as they become due and payable and exercise all of Borrower's rights or the rights of lessor under the Leases and with respect to the Rents. Upon the cure of such an Event of Default, the license in favor of Borrower shall be automatically reinstated without further action of the parties.

Section 2.2 NOTICE TO LESSEES. Borrower hereby authorizes and directs the lessees under the Leases and any other future lessees or occupants of the Property, and all Lease Guarantors to pay over to Lender, or to such other party as Lender directs, all Rents and all sums due under any Lease Guaranties upon receipt from Lender of written notice to the effect that Lender is the holder of this Assignment and to continue to do so until otherwise notified by Lender.

Section 2.3 INCORPORATION BY REFERENCE. All representations, warranties, covenants, conditions and agreements contained in the Loan Agreement and the other Loan Documents, as same may be amended, restated, replaced, supplemented or otherwise modified, are hereby made a part of this Assignment to the same extent and with the same force and effect as if fully set forth herein.

ARTICLE 3- REMEDIES

Section 3.1 REMEDIES OF LENDER. During the continuance of an Event of Default (except for an Event of Default defined in Section 10.1(a)(vii) of the Loan Agreement, for which the revocation hereinafter described shall be automatic and simultaneous with the occurrence of such Event of Default), the license granted to Borrower in Section 2.1 of this Assignment shall, at Lender's option, be revoked by Lender, and Lender shall immediately be entitled to possession of all Rents and sums due under any Lease Guaranties, whether or not Lender enters upon or takes possession or control of the Property. In addition, Lender may, at its option, without



waiving such Event of Default, and without regard to the adequacy of the security for the Debt, either in person or by agent, nominee or attorney, with or without bringing any action or proceeding, or by a receiver appointed by a court, dispossess Borrower and its agents and servants from the Property, without liability for trespass, damages or otherwise and exclude Borrower and its agents or servants wholly therefrom, and take possession of the Property and all books, records and accounts relating thereto and have, hold, manage, lease and operate the Property on such terms and for such period of time as Lender may deem proper, and either with or without taking possession of the Property in its own name, demand, sue for or otherwise collect and receive all Rents and sums due under all Lease Guarantees, including, without limitation, those past due and unpaid, with full power to make from time to time all alterations, renovations, repairs or replacements thereto or thereof as Lender may deem necessary for the use or operation of the Property, and may apply the Rents and sums received pursuant to any Lease Guarantees to the payment of the following in such order and proportion as Lender in its sole and absolute discretion may determine, any law, custom or use to the contrary notwithstanding: (a) all expenses of managing and securing the Property, including, without limitation, the salaries, fees and wages of a managing agent and such other employees or agents as Lender may deem necessary, and all expenses of operating and maintaining the Property, including, without limitation, all taxes, charges, claims, assessments, water charges, sewer rents and any other liens, and premiums for all insurance which Lender may deem necessary, and the cost of all alterations, renovations, repairs or replacements, and all expenses incident to taking and retaining possession of the Property; and (b) the Debt, together with all costs and reasonable attorneys' fees and expenses. In addition, during the continuance of an Event of Default, Lender, at its option, may (1) complete any construction on the Property in such manner and form as Lender deems necessary for the use or operation of the Property, (2) exercise all rights and powers of Borrower, including, without limitation, the right to negotiate, execute, cancel, enforce or modify Leases, obtain and evict tenants, and demand, sue for, collect and receive all Rents from the Property and all sums due under any Lease Guarantees, (3) either require Borrower to pay monthly in advance to Lender, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupancy of such part of the Property as may be in possession of Borrower or an affiliate of Borrower, or (4) require Borrower to vacate and surrender possession of the Property to Lender or to such receiver and, in default thereof, Borrower may be evicted by summary proceedings or otherwise.

Section 3.2 OTHER REMEDIES. Nothing contained in this Assignment and no action taken or failed to be taken by Lender pursuant to the powers and rights granted to Lender hereunder shall be deemed to be a waiver by Lender of its rights and remedies under the Loan Agreement, or the other Loan Documents, and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Lender under the terms thereof. The right of Lender to collect the Debt and to enforce any other security therefor held by it may be exercised by Lender either prior to, simultaneously with, or subsequent to any action taken by it hereunder. Borrower hereby absolutely, unconditionally and irrevocably waives any and all rights to assert any setoff, counterclaim or crossclaim of any nature whatsoever with respect to the obligations of Borrower under this Assignment, the Loan Agreement, the other Loan Documents or otherwise with respect to the Loan in any action or proceeding brought by Lender to collect same, or any portion thereof, or to enforce and realize upon the lien and security



interest created by this Assignment, the Loan Agreement, or any of the other Loan Documents (provided, however, that the foregoing shall not be deemed a waiver of Borrower's right to assert any compulsory counterclaim if such counterclaim is compelled under local law or rule of procedure, nor shall the foregoing be deemed a waiver of Borrower's right to assert any claim which would constitute a defense, setoff, counterclaim or crossclaim of any nature whatsoever against Lender in any separate action or proceeding).

Section 3.3 OTHER SECURITY. Lender may take or release any other security for the payment of the Debt, may release any party primarily or secondarily liable therefor, and may apply any other security held by it to the reduction or satisfaction of the Debt without prejudice to any of its rights under this Assignment.

Section 3.4 NON-WAIVER. The exercise by Lender of the option granted it in Section

3.1 of this Assignment and the collection of the Rents and sums due under the Lease Guaranties and the application thereof as herein provided shall not be considered a waiver of any default by Borrower under the Note, the Loan Agreement, the Leases, this Assignment or the other Loan Documents. The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Assignment. Borrower shall not be relieved of Borrower's obligations hereunder by reason of any of the following: (a) the failure of Lender to comply with any request of Borrower or any other party to take any action to enforce any of the provisions hereof or of the Loan Agreement or the other Loan Documents; (b) the release, regardless of consideration, of the whole or any part of the Property; or (c) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of this Assignment, the Loan Agreement or the other Loan Documents. Lender may resort for the payment of the Debt to any other security held by Lender that Lender may elect, in such order and manner as Lender may elect, in its sole and absolute discretion. Lender may take any action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Lender thereafter to enforce its rights under this Assignment. The rights of Lender under this Assignment shall be separate, distinct and cumulative, and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision.

Section 3.5 BANKRUPTCY.

(a) At any time during the continuance of an Event of Default, Lender shall have the right to proceed in its own name or in the name of Borrower in respect of any claim, suit, action or proceeding relating to the rejection of any Lease, including, without limitation, the right to file and prosecute, to the exclusion of Borrower, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the lessee under such Lease under the Bankruptcy Code.

(b) If there shall be filed by or against Borrower a petition under the Bankruptcy Code, and Borrower, as lessor under any Lease, shall determine to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower shall give Lender not less than 10 days' prior written notice of the date on which Borrower shall



apply to the bankruptcy court for authority to reject the Lease. Lender shall have the right, but not the obligation, to serve upon Borrower within such 10-day period a notice stating that (i) Lender demands that Borrower assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (ii) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender serves upon Borrower the notice described in the preceding sentence, Borrower shall not seek to reject the Lease and shall comply with the demand provided for in clause (i) of the preceding sentence within 30 days after the notice shall have been given, subject to the performance by Lender of the covenant provided for in clause (ii) of the preceding sentence.

ARTICLE 4 - NO LIABILITY, FURTHER ASSURANCES

Section 4.1 NO LIABILITY OF LENDER. This Assignment shall not be construed to bind

Lender to the performance of any of the covenants, conditions or provisions contained in any Lease or Lease Guaranty or otherwise impose any obligation upon Lender. Lender shall not be liable for any loss sustained by Borrower resulting from Lender's failure to let the Property after an Event of Default or from any other act or omission of Lender in managing the Property after an Event of Default unless such loss is caused by the willful misconduct, gross negligence or bad faith of Lender. Lender shall not be obligated to perform or discharge any obligation, duty or liability under any Lease or Lease Guaranty or under or by reason of this Assignment, and Borrower shall indemnify Lender for, and hold Lender harmless from, any and all liability, loss or damage (excluding punitive, consequential or exemplary damages) arising prior to the date on which Lender takes actual possession of the Property, which may or might be incurred under any Lease, any Lease Guaranty or under or by reason of this Assignment and from any and all claims and demands whatsoever, including the defense of any such claims or demands which may be asserted against Lender by reason of any alleged obligations and undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases or any Lease Guaranties. Should Lender incur any such liability, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured by this Assignment and by the Deed of Trust and the other Loan Documents, and Borrower shall reimburse Lender therefor immediately upon demand and upon the failure of Borrower so to do Lender may, at its option, declare all sums secured by this Assignment and by the Deed of Trust and the other Loan Documents immediately due and payable. This Assignment shall not operate to place any obligation or liability for the control, care, management or repair of the Property upon Lender, nor for the carrying out of any of the terms and conditions of the Leases or any Lease Guaranties; nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the tenants or any other parties, or for any dangerous or defective condition of the Property including, without limitation, the presence of any Hazardous Substances (as defined in the Environmental Indemnity), or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger.

Section 4.2 NO MORTGAGEE IN POSSESSION. Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession" in the absence of the taking of actual possession of the Property by Lender.



Section 4.3 FURTHER ASSURANCES. Borrower shall, at Borrower's sole cost and expense, from time to time as reasonably requested by Lender, execute, acknowledge, record, register, file and/or deliver to Lender such other instruments, agreements, certificates and documents as Lender may reasonably request to better assure, convey, assign, transfer and confirm unto Lender the property and rights hereby assigned, and do and execute all such further lawful and reasonable acts, conveyances and assurances for the better and more effective carrying out of the intents and purposes of this Assignment as Lender shall reasonably require from time to time. Borrower hereby irrevocably authorizes and appoints Lender as its attorney-in-fact to execute, acknowledge, record, register and/or file such instruments, agreements, certificates and documents, and to do and execute such acts, conveyances and assurances, should Borrower fail to do so itself in violation of this Assignment following written request from Lender, in each case without the signature of Borrower. The foregoing grant of authority is a power of attorney coupled with an interest, and such appointment shall be irrevocable for the term of this Assignment. Borrower hereby ratifies all actions that such attorney shall lawfully take or cause to be taken in accordance with this Section.

ARTICLE 5 - MISCELLANEOUS PROVISIONS

Section 5.1 CONFLICT OF TERMS. In event of any conflict or inconsistency between the terms of this Assignment and the Loan Agreement, the terms and provisions of the Loan Agreement shall govern.

Section 5.2 MODIFICATION, WAIVER IN WRITING. No modification, amendment, extension, discharge, termination or waiver of any provision of this Assignment, nor consent to any departure by Borrower therefrom, shall in any event be effective unless the same shall be in a writing signed by the party against whom enforcement is sought, and then such waiver or consent shall be effective only in the specific instance, and for the purpose, for which given. Except as otherwise expressly provided herein, no notice to, or demand on Borrower shall entitle Borrower to any other or future notice of demand in the same, similar or other circumstances.

Section 5.3 GENERAL DEFINITIONS. All capitalized terms used not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

Section 5.4 SEVERABILITY. Wherever possible, each provision of this Assignment shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Assignment shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Assignment.

Section 5.5 GOVERNING LAW. This Assignment shall be governed by and construed in accordance with the laws of the state in which the Property is located.

Section 5.6 TERMINATION OF ASSIGNMENT. Upon payment in full of the Debt, this Assignment shall become and be void and of no further force or effect.

Section 5.7 NOTICES. All notices or other written communications hereunder shall be delivered in accordance with Section 11.6 of the Loan Agreement.

Section 5.8 WAIVER OF RIGHT TO TRIAL BY JURY. BORROWER AND LENDER EACH HEREBY AGREE NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVE ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THIS ASSIGNMENT, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY BORROWER AND LENDER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. BORROWER AND LENDER ARE EACH HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER.

Section 5.9 EXCULPATION. The provisions of Section 11.22 of the Loan Agreement are hereby incorporated by reference into this Assignment to the same extent and with the same force and effect as if fully set forth herein.

Section 5.10 SUCCESSORS AND ASSIGNS. Lender shall have the right to assign in whole or in part this Assignment and/or any of the other Loan Documents and the obligations hereunder or thereunder to any Person and to participate all or any portion of the Loan evidenced hereby, including, without limitation, any servicer or trustee in connection with a Securitization.

Section 5.11 HEADINGS, ETC. The headings and captions of various paragraphs of this Assignment are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Section 5.12 WAIVER OF NOTICE. To the extent permitted by applicable law, Borrower shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Assignment or the other Loan Documents specifically and expressly provide for the giving of notice by Lender to Borrower and except with respect to matters for which Lender is required by applicable law to give notice, and Borrower hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Assignment and the other Loan Documents and/or applicable law do not specifically and expressly provide for the giving of notice by Lender to Borrower.

Section 5.13 ENTIRE AGREEMENT. The Note, the Loan Agreement, this Assignment and the other Loan Documents constitute the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, including, without limitation, the Loan Proposal, are superseded by the terms of this Assignment and the other Loan Documents.

Section 5.14 CUMULATIVE REMEDIES; MARSHALLING. Without limitation of any other right or remedy provided to Lender in this Assignment or any of the other Loan Documents,



Borrower acknowledges and agrees that, to the fullest extent permitted under applicable law, during the continuance of an Event of Default (i) Lender shall have the right to pursue all of its rights and remedies in one proceeding, or separately and independently in separate proceedings which it, as Lender, in its discretion, shall determine from time to time, (ii) Lender is not required to either marshal assets, sell any of the collateral for the Loan in any inverse order of alienation, or be subjected to any "one action" or "election of remedies" law or rule, (iii) the exercise by Lender of any remedies against any of the collateral for the Loan will not impede Lender from subsequently or simultaneously exercising remedies against other collateral for the Loan, and (iv) all Liens and other rights, remedies and privileges provided to Lender in this Assignment and in the other Loan Documents or otherwise shall remain in full force and effect until Lender has exhausted all of its remedies against the collateral for the Loan and all of the collateral for the Loan has been foreclosed, sold and/or otherwise realized upon.

ARTICLE 6- STATE-SPECIFIC PROVISIONS

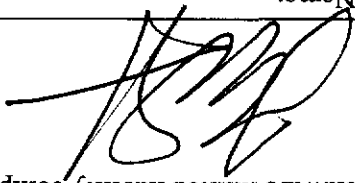
In the event of any inconsistencies between the terms and conditions of this Article 6 and the other terms and provisions of this Assignment, the terms and conditions of Article 6 shall control and be binding. This Assignment is governed by and hereby incorporates by reference the State-Specific Provisions contained in Article 17 of the Deed of Trust which shall apply with the same import as though fully set forth herein.

PLEASE BE ADVISED THAT ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.



IN WITNESS WHEREOF, Borrower has executed this Assignment the day and
year first above written.

PPR CASCADE LLC
a Delaware limited liability company



By: _____
Name: Thomas E. O'Hern
Title: Executive Vice President and
Chief Financial Officer

[Signature Page for Assignment of Leases ar



UNOFFICIAL DOCUMENT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Los Angeles

ss. }

On March 8, 2005, before me, Linda K. Jones, Notary Public

Date

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Thomas E. O'Hern

Name(s) of Signer(s)

personally known to me

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document

Document Date:

Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name:

- Individual
- Corporate Officer — Title(s):
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other:

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer's Name:

- Individual
- Corporate Officer — Title(s):
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other:

RIGHT THUMBPRINT OF SIGNER

Top of thumb here

Signer Is Representing:

Signer Is Representing:



Skagit County Auditor

200503170086



UNOFFICIAL DOCUMENT

LEGAL DESCRIPTION OF PROPERTY

EXHIBIT A

EXHIBIT A

LEGAL DESCRIPTION

PARCEL "A"

Lots 1, 2, 3, 4 and 6, "CASCADE MALL BINDING SITE PLAN," recorded October 19, 1989 in Volume 8 of Short Plats, page 170, under Auditor's File No. 8910190065, records of Skagit County, Washington; being a portion of the Southeast 1/4 of the Northeast 1/4 and the East 1/2 of the Southeast 1/4 of Section 6, Township 34 North, Range 4 East W.M.

Situate in the County of Skagit, State of Washington.

PARCEL "B"

Those certain non-exclusive easements as described in that certain "Declaration of Restrictions and Grant of Easements" by Pan Pacific Development (Cascade) Inc., recorded July 21, 1989 under Auditor's File No. 8907210046 and amended by instruments recorded October 30, 1997 and May 8, 1998 under Auditor's File Nos. 9710300078 and 9805080072, respectively, affected by Assignment of Reciprocal Easement Agreements dated February 18, 1999, recorded February 24, 1999, under Auditor's File No. 9902240173.

Situate in the County of Skagit, State of Washington.



Skagit County Auditor

Skagit County Auditor
200503170086



DESCRIPTION OF LEASES AND RENTS

EXHIBIT B

As used in Subsection 1.1(a), the term "leases" shall mean all leases, subleases, lettings, licenses, franchises, concessions or grants of other possessory interests, tenancies, and any other agreements affecting the use, possession or occupancy of the Property or any part thereof (including, without limitation, guest rooms, restaurants, bars, conference and meeting rooms, and banquet halls and other public facilities), whether now or hereafter existing or entered into (including, without limitation, any use or occupancy arrangements created pursuant to Section 365(d) of the Bankruptcy Code or otherwise in connection with the commencement or continuance of any bankruptcy, reorganization, arrangement, insolvency, dissolution, receivership or similar proceedings, or any assignment for the benefit of creditors, in respect of any tenant or occupant of any portion of the Property) and all amendments, modifications, supplements, extensions or renewals thereof, whether now or hereafter existing and all amendments, modifications, supplements, extensions or renewals thereof. As used in Subsection 1.1(a) the term "lease provisions" shall mean the right to enforce, whether at law or in equity or by any other means, all terms, covenants and provisions of such leases.

As used in Subsection 1.1(c), the term "rents" shall mean all rents, issues, profits, royalties (including, without limitation, all oil and gas or other hydrocarbon substances), earnings, receipts, revenues, accounts, accounts receivable, security deposits and other deposits (subject to the prior right of the tenants making such deposits) and income, including, without limitation, fixed, additional and percentage rents, and all operating expense reimbursements, reimbursements for increases in taxes, sums paid by tenants to Borrower to reimburse Borrower for amounts originally paid or to be paid by Borrower or Borrower's agents or affiliates for which such tenants were liable, as, for example, tenant improvements costs in excess of any work letter, lease takeover costs, moving expenses and tax and operating expense pass-throughs for which a tenant is solely liable, parking, maintenance, common area, tax, insurance, utility and service charges and contributions, proceeds of sale of electricity, gas, heating, air-conditioning and other utilities and services, deficiency rents and liquidated damages, and other benefits now or hereafter derived from any portion of the Property or otherwise due and payable or to become due and payable as a result of any ownership, use, possession, occupancy or operation thereof and/or services rendered, goods provided and business conducted in connection therewith (including, without limitation, any payments received pursuant to Section 502(b) of the Bankruptcy Code or otherwise in arrangement, insolvency, dissolution, receivership or similar proceedings, or any assignment for the benefit of creditors, in respect of any tenant or other occupants of any portion of the Property and all claims as a creditor in connection with any of the foregoing) and all cash or security deposits, advance rentals, and all deposits or payments of a similar nature relating thereto, now or hereafter, including, without limitation, during any period of redemption, derived from the Property or any portion thereof and all proceeds from the cancellation, surrender, sale or other disposition of any leases.