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WARRANTY DEED

THIS INDENTURE WITNESSETH, That BURGER KING LIMITED Partnership III, located at 3 World Financial Center, 29th Floor, New York, New York 10285 ("GRANTOR"), a New York limited partnership, CONVEYS AND WARRANTS to U.S. RESTAURANT PROPERTIES OPERATING L.P., a Delaware limited partnership located at 5310 Harvest Hill Road, Suite 270, Dallas, Texas 75230, ("GRANTEE"), for the sum of One Dollar (\$1.00) and other valuable consideration, the receipt of which is hereby acknowledged, the following described real estate in Lake County, in the State of Indiana:

See Exhibit A attached hereto and made a part hereof.

MAIL TAX STATEMENTS TO: 5310 Harvest Hill Road, Suite 270, Dallas, TX 75230
With the exception of any condition, covenant or restrictions based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code, or (b) relates to handicap, but does not discriminate against handicapped persons, the foregoing describes real estate is additionally subject to all easements, restrictions, oil and gas leases and rights-of-way of record, including those described herein, and tenant's rights, if any.

Grantor agrees to pay the real estate taxes due and payable against the aforesaid real estate on Dec 16, 1997 and the Grantee assumes and agrees to pay all real estate taxes and assessments thereafter due, payable or assessed against such real estate.

The street address of the above described real estate is ~~2720 225th Street, Gary, IN 46508~~ 1600 West 35th Ave. Gary, IN.

THIS CONVEYANCE IS NOT SUBJECT TO ADDITIONAL INDIANA CORPORATE INCOME TAXES, INCLUDING THE INDIANA GROSS INCOME TAX.

The undersigned person executing this Deed of Grantor represents and certifies that he is President of BK III Restaurants Inc., a duly established General Partner of Grantor and has been fully empowered, to execute and deliver this Deed;

97089021

FILED FOR TAXATION SUBJECT TO PART THEREOF

DEC 23 1997

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

97 DEC 29 AM 11:35

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10/10/97
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LAWYERS TITLE INS. CORP.
ONE PROFESSIONAL CENTER
SUITE 2-5
CROWN POINT, IN 48007

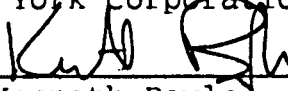
that Grantor has full capacity to convey the real estate described herein; and that all necessary action for the making of such conveyance has been taken and done.

IN WITNESS WHEREOF, Grantor has caused this deed to be
executed this 16 day of December, 1997.

BURGER KING LIMITED PARTNERSHIP III,
a New York limited partnership

By: BK III Restaurants Inc.
a New York corporation, general partner


By:



Kenneth Boyle
President

ATTEST:

By:


Name: EILEEN M. BANNON
Title: ASSISTANT SECRETARY

STATE OF NEW YORK)
) SS:
COUNTY OF NEW YORK)

Before me, a Notary Public, in and for said County and State, personally appeared Kenneth Boyle, President, of BK III Restaurants, Inc., General Partner of BURGER KING LIMITED PARTNERSHIP III, a New York limited partnership, who acknowledged execution of the foregoing Deed for and on behalf of said Grantor, and who having been duly sworn, stated that the representations therein contained are true.

Witness my hand and Notarial Seal this 16th day of December, 1997.

MY COMMISSION EXPIRES:

Barbara A. Porter
Notary Public

BARBARA A. PORTER
NOTARY PUBLIC, State of New York
No. 01-0905930
Qualified in New York County
Commission Expires January 27, 1999

EXHIBIT A

LEGAL DESCRIPTION #4590

ALL THAT TRACT OR PARCEL OF LAND, situate in the City of Gary,
County of Lake and State of Indiana, more particularly bounded
and described as follows:

Lot 3, Unit 2, Even's First Addition to Lake County, Indiana, as
shown in Plat Book 34, page 41, in Lake County, Indiana.

49-520-3