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Prepared by and, after recording, return to:

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MULTIFAMILY MORTGAGE,
ASSIGNMENT OF RENTS
AND SECURITY AGREEMENT

(ILLINOIS)

**THIS INSTRUMENT IS NOT TO BE USED FOR
MULTIFAMILY PROPERTIES CONTAINING 5 OR 6
RESIDENTIAL UNITS IF ANY RESIDENTIAL UNIT
IS OWNER-OCCUPIED**

8975 West Golf Road, Niles, Illinois

PIN Nos.: Parcel A: 09-15-201-017 Volume 0088
Parcel B: 09-15-201-018 Volume 0088
Parcel C: 09-15-201-013 Volume 0088
Parcel C: 09-15-201-013 Volume 0088

**FANNIE MAE MULTIFAMILY SECURITY INSTRUMENT -
ILLINOIS (Breakers)**

Form 4036

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**MULTIFAMILY MORTGAGE,
ASSIGNMENT OF RENTS
AND SECURITY AGREEMENT**

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THIS MULTIFAMILY MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (the "**Instrument**") is dated as of the 16th day of October, 2000, between NILES LIFESTYLE LIMITED PARTNERSHIP, a limited partnership organized and existing under the laws of Illinois, whose principal office is located at 111 East Wacker Drive, Suite 2400, Chicago, Illinois 60601, together with its successors and assigns, as mortgagor ("**Borrower**"), and BERKSHIRE MORTGAGE FINANCE LIMITED PARTNERSHIP, a limited partnership organized and existing under the laws of Massachusetts, whose address is One Beacon Street, 14th Floor, Boston, Massachusetts 02108, together with its successors and assigns, as mortgagee ("**Lender**"). The term "**Borrowers**" as used in this Instrument shall mean the Borrower, SENIOR LIFESTYLE EVERGREEN, LIMITED PARTNERSHIP, a Delaware limited partnership, SENIOR LIFESTYLE NEWPORT LIMITED PARTNERSHIP, a Delaware limited partnership, SENIOR LIFESTYLE HERITAGE, L.L.C., a Delaware limited liability company, SENIOR LIFESTYLE BALMORAL LIMITED PARTNERSHIP, a Delaware limited partnership, and SENIOR LIFESTYLE PROSPERITY LIMITED PARTNERSHIP, a Delaware limited partnership, each having its principal office at 111 East Wacker Drive, Suite 2400, Chicago, Illinois 60601.

Borrower is indebted to Lender in the principal amount of \$163,000,000.00, as evidenced by Borrowers' Variable Facility Note payable to Lender, dated as of the date of this Instrument, and maturing on October 31, 2005. As used in this Instrument, the term "Mortgaged Property" is synonymous with the term "Secured Property," and the term "lien" is synonymous with the term "security interest and title."

TO SECURE TO LENDER (i) the repayment of the Indebtedness evidenced by the Borrowers' Variable Facility Note payable to Lender, dated as of the date of this Instrument, and maturing on October 31, 2005, in the principal amount of \$163,000,000.00, including, without limitation, any Future Advances (as defined in the Master Agreement as hereinafter defined), (ii) any additional Notes issued from time to time pursuant to the Master Agreement, and all renewals, extensions and modifications of the Indebtedness, (iii) the performance of the covenants and agreements of Borrowers contained in the Master Credit Facility Agreement dated October 16, 2000 by and among Borrowers and Lender (the "Master Agreement"), (iv) the payment of all sums advanced by or on behalf of Lender to protect the security of this Instrument under Section 12, and (v) the performance of the covenants and agreements of Borrowers contained in the Loan Documents, including, without limitation, the Other Security Instruments (as hereinafter defined), Borrower mortgages, warrants, grants, conveys and assigns to Lender, with power of sale, the Mortgaged Property, including the Land located in Cook County, State of Illinois and described in Exhibit A attached to this Instrument.

Borrower represents, warrants and covenants that Borrower is lawfully seized of the Mortgaged Property and has the right, power and authority to grant, convey and assign the Mortgaged Property, that the Mortgaged Property is unencumbered, and that Borrower will warrant and defend generally the title to the Mortgaged Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy issued to Lender contemporaneously with the execution and recordation of this Instrument and insuring Lender's interest in the Mortgaged Property.

Covenants. Borrower and Lender covenant and agree as follows:

1. **DEFINITIONS.** The following terms, when used in this Instrument (including when used in the above recitals), shall have the following meanings:

(a) **"Borrower"** means all persons or entities identified as "Borrower" in the first paragraph of this Instrument, together with their successors and assigns.

(b) **"Borrowers' Projects"** is defined in Section 48 of this Instrument.

(c) **"Collateral Agreement"** means any separate agreement between Borrower and Lender for the purpose of establishing replacement reserves for the Mortgaged Property, establishing a fund to assure completion of repairs or improvements specified in that agreement, or assuring reduction of the outstanding principal balance of the Indebtedness if the occupancy of or income from the Mortgaged Property does not increase to a level specified in that agreement, or any other agreement or agreements between Borrower and Lender which provide for the establishment of any other fund, reserve or account.

(d) **"Environmental Permit"** means any permit, license, or other authorization issued under any Hazardous Materials Law with respect to any activities or businesses conducted on or in relation to the Mortgaged Property.

(e) **"Event of Default"** means the occurrence of any event listed in Section 22.

(f) **"Fixtures"** means all property which is so attached to the Land or the Improvements as to constitute a fixture under applicable law, including: machinery, equipment, engines, boilers, incinerators, installed building materials; systems and equipment for the purpose of supplying or distributing heating, cooling, electricity, gas, water, air, or light; antennas, cable, wiring and conduits used in connection with radio, television, security, fire prevention, or fire detection or otherwise used to carry electronic signals; telephone systems and equipment; elevators and related machinery and equipment; fire detection, prevention and extinguishing systems and apparatus; security and access control systems and apparatus; plumbing systems; water heaters, ranges, stoves, microwave ovens, refrigerators, dishwashers, garbage disposers, washers, dryers and other appliances; light fixtures, awnings, storm windows and storm doors;

pictures, screens, blinds, shades, curtains and curtain rods; mirrors; cabinets, paneling, rugs and floor and wall coverings; fences, trees and plants; swimming pools; and exercise equipment.

(g) **“Governmental Authority”** means any board, commission, department or body of any municipal, county, state or federal governmental unit, or any subdivision of any of them, that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.

(h) **“Hazardous Materials”** means petroleum and petroleum products and compounds containing them, including gasoline, diesel fuel and oil; explosives; flammable materials; radioactive materials; polychlorinated biphenyls (“PCBs”) and compounds containing them; lead and lead-based paint; asbestos or asbestos-containing materials in any form that is or could become friable; underground or above-ground storage tanks, whether empty or containing any substance; any substance the presence of which on the Mortgaged Property is prohibited by any federal, state or local authority; any substance that requires special handling; and any other material or substance now or in the future defined as a “hazardous substance,” “hazardous material,” “hazardous waste,” “toxic substance,” “toxic pollutant,” “contaminant,” or “pollutant” within the meaning of any Hazardous Materials Law. The term “Hazardous Materials” shall also include any medical products or devices, including, but not limited to, those materials defined as “medical waste” or “biological waste” under relevant statutes or regulations pertaining to any Hazardous Materials Law

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(i) **“Hazardous Materials Laws”** means all federal, state, and local laws, ordinances and regulations and standards, rules, policies and other governmental requirements, administrative rulings and court judgments and decrees in effect now or in the future and including all amendments, that relate to Hazardous Materials and apply to Borrower or to the Mortgaged Property. Hazardous Materials Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Toxic Substance Control Act, 15 U.S.C. Section 2601, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., and the Hazardous Materials Transportation Act, 49 U.S.C. Section 5101, et seq., and their state analogs.

(j) **“Impositions”** and **“Imposition Deposits”** are defined in Section 7(?)

(k) **“Improvements”** means the buildings, structures, improvements, and alterations now constructed or at any time in the future constructed or placed upon the Land, including any future replacements and additions.

(l) **“Indebtedness”** means the principal of, interest on, and all other amounts due at any time under, the Note, this Instrument, any other Loan Document or any Other Security Instrument, including prepayment premiums, late charges, default interest, and advances as provided in Section 12 to protect the security of this Instrument.

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- (m) **"Key Principal"** shall have the meaning set forth in the Master Agreement.
- (n) **"Land"** means the land described in Exhibit A.
- (o) **"Leases"** means all present and future leases, subleases, licenses, concessions or grants or other possessory interests now or hereafter in force, whether oral or written, covering or affecting the Mortgaged Property, or any portion of the Mortgaged Property (including proprietary leases or occupancy agreements if Borrower is a cooperative housing corporation), and all modifications, extensions or renewals. The term "Leases" shall also include any occupancy and admission agreements pertaining to occupants of the Mortgaged Property, including both residential and commercial agreements
- (p) **"Lender"** means the entity identified as "Lender" in the first paragraph of this Instrument and its successors and assigns, or any subsequent holder of the Note.
- (q) **"Loan Documents"** shall have the meaning set forth in the Master Agreement.
- (r) **"Loan Servicer"** means the entity that from time to time is designated by Lender to collect payments and deposits and receive notices under the Note, this Instrument and any other Loan Document, and otherwise to service the loan evidenced by the Note for the benefit of Lender. Unless Borrower receives notice to the contrary, the Loan Servicer is the entity identified as "Lender" in the first paragraph of this Instrument.
- (s) **"Mortgaged Property"** means all of Borrower's present and future right, title and interest in and to all of the following:
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- (1) the Land;
 - (2) the Improvements;
 - (3) the Fixtures;
 - (4) the Personalty;
 - (5) all current and future rights, including air rights, development rights, zoning rights and other similar rights or interests, easements, tenements, rights-of-way, strips and gores of land, streets, alleys, roads, sewer rights, waters, watercourses, and appurtenances related to or benefiting the Land or the Improvements, or both, and all rights-of-way, streets, alleys and roads which may have been or may in the future be vacated;

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- (6) all proceeds paid or to be paid by any insurer of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, whether or not Borrower obtained the insurance pursuant to Lender's requirement;
- (7) all awards, payments and other compensation made or to be made by any municipal, state or federal authority with respect to the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property, including any awards or settlements resulting from condemnation proceedings or the total or partial taking of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property under the power of eminent domain or otherwise and including any conveyance in lieu thereof;
- (8) all contracts, options and other agreements for the sale of the Land, the Improvements, the Fixtures, the Personalty or any other part of the Mortgaged Property entered into by Borrower now or in the future, including cash or securities deposited to secure performance by parties of their obligations;
- (9) all proceeds from the conversion, voluntary or involuntary, of any of the above into cash or liquidated claims, and the right to collect such proceeds;
- (10) all Rents and Leases;
- (11) all earnings, royalties, accounts receivable, issues and profits from the Land, the Improvements or any other part of the Mortgaged Property, and all undisbursed proceeds of the loan secured by this Instrument and, if Borrower is a cooperative housing corporation, maintenance charges or assessments payable by shareholders or residents;
- (12) all Imposition Deposits;
- (13) all refunds or rebates of Impositions by any municipal, state or federal authority or insurance company (other than refunds applicable to periods before the real property tax year in which this Instrument is dated);
- (14) all tenant security deposits which have not been forfeited by any tenant under any Lease;

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- (15) all names under or by which any of the above Mortgaged Property may be operated or known, and all trademarks, trade names, and goodwill relating to any of the Mortgaged Property;
- (16) all payments due, or received, from occupants, second party charges added to base rental income, base and/or additional meal sales, commercial operations located on the Mortgaged Property or provided as a service to the occupants of the Mortgaged Property, rental from guest suites, seasonal lease charges, furniture leases, and laundry services, and any and all other services provided to third parties in connection with the Mortgaged Property, and any and all other personal property on the real property site, excluding personal property belonging to occupants of the real property (other than property belonging to Borrower);
- (17) subject to applicable law and regulations, all permits, licenses and contracts relating to the operation and authority to operate the Mortgaged Property as a Seniors Housing Facility; **00838493**
- (18) all rights to payments from Medicare or Medicaid programs, or similar federal, state or local programs, boards, bureaus or agencies and rights to payment from residents or private insurers ("third party payments"), arising from the operation of the Mortgaged Property as a Seniors Housing Facility, utility deposits, unearned premiums, accrued, accruing or to accrue under insurance policies now or hereafter obtained by the Borrower and all proceeds of any conversion of the Mortgaged Property or any part thereof including, without limitation, proceeds of hazard and title insurance and all awards and compensation for the taking by eminent domain, condemnation or otherwise, of all or any part of the Mortgaged Property or any easement therein; and,
- (19) all of Borrower's inventory, accounts, accounts receivable, contract rights, general intangibles, and all proceeds thereof.

(t) **"Note"** means, collectively, the Variable Facility Note described on the first page hereof, all schedules, riders, allonges, addenda, renewals, extensions and modifications, as such Note may be amended from time to time and all additional Notes issued from time to time pursuant to the Master Agreement and all schedules, riders, allonges, addenda, renewals, extensions and modifications, as such additional Notes may be amended from time to time.

(u) **"O&M Program"** is defined in Section 18(a).

(v) **"Other Security Instruments"** is defined in Section 48 of this Instrument.

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(w) **“Personalty”** means all furniture, furnishings, equipment, machinery, building materials, appliances, goods, supplies, tools, books, records (whether in written or electronic form), computer equipment (hardware and software) and other tangible personal property (other than Fixtures) which are used now or in the future in connection with the ownership, management or operation of the Land or the Improvements or are located on the Land or in the Improvements, and any operating agreements relating to the Land or the Improvements, and any surveys, plans and specifications and contracts for architectural, engineering and construction services relating to the Land or the Improvements and all other intangible property and rights relating to the operation of, or used in connection with, the Land or the Improvements, including all governmental permits relating to any activities on the Land. The term “Personalty” shall also include all personal property currently owned or acquired by Borrower after the date hereof used in connection with the ownership and operation of the Mortgaged Property as a Seniors Housing Facility, all kitchen or restaurant supplies, dining room facilities, medical facilities, or related furniture and equipment, and any other equipment, supplies or furniture owned by Borrower and leased to any third party service provider or facility operator under any use, occupancy, or lease agreements, as well as all licenses, permits, certificates, and approvals required for the operation of the Mortgaged Property as a Seniors Housing Facility, to the extent permitted by applicable law and regulations, including replacements and additions thereto. **00838493**

(x) **“Property Jurisdiction”** means, with respect to each provision of this Instrument, the jurisdiction whose laws govern the construction of the provision pursuant to Section 16.06 of the Master Agreement.

(y) **“Rents”** means all rents (whether from residential or non-residential space), revenues and other income of the Land or the Improvements, including parking fees, laundry and vending machine income and fees and charges for food, health care and other services provided at the Mortgaged Property, whether now due, past due, or to become due, and deposits forfeited by tenants, together with and including all proceeds from any private insurance for tenants to cover rental charges and charges for services at or in connection with the Mortgaged Property, and the right to payments from Medicare or Medicaid programs, or similar federal, state or local programs, boards, bureaus or agencies and rights to payment from tenants, private insurers or others (“third party payments”), due for the rents of tenants or for services at the Mortgaged Property.” Each of the foregoing shall be considered “Rents” for the purposes of the actions and rights set forth in Section 3 of the Instrument.

(z) **“Security Instruments”** is defined in Section 48 of this Instrument.

(aa) **“Seniors Housing Facility”** means a residential housing facility which qualifies as “housing for older persons” under the Fair Housing Amendments Act of 1988 and includes congregate living units and assisted living units, but which does not include any nursing care units. A Seniors Housing Facility may include a limited number of commercial units approved by the Lender.

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- (bb) **"Taxes"** means all taxes, assessments, vault rentals and other charges, if any, general, special or otherwise, including all assessments for schools, public betterments and general or local improvements, which are levied, assessed or imposed by any public authority or quasi-public authority, and which, if not paid, will become a lien, on the Land or the Improvements.

- (cc) **"Transfer"** shall have the meaning set forth in the Master Agreement.

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2. UNIFORM COMMERCIAL CODE SECURITY AGREEMENT. This Instrument is also a security agreement under the Uniform Commercial Code for any of the Mortgaged Property which, under applicable law, may be subject to a security interest under the Uniform Commercial Code, whether acquired now or in the future, and all products and cash and non-cash proceeds thereof (collectively, **"UCC Collateral"**), and Borrower hereby grants to Lender a security interest in the UCC Collateral. Borrower shall execute and deliver to Lender, upon Lender's request, financing statements, continuation statements and amendments, in such form as Lender may require to perfect or continue the perfection of this security interest. Borrower shall pay all filing costs and all costs and expenses of any record searches for financing statements that Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or permit to exist any other lien or security interest in any of the UCC Collateral. If an Event of Default has occurred and is continuing, Lender shall have the remedies of a secured party under the Uniform Commercial Code, in addition to all remedies provided by this Instrument or existing under applicable law. In exercising any remedies, Lender may exercise its remedies against the UCC Collateral separately or together, and in any order, without in any way affecting the availability of Lender's other remedies. This Instrument constitutes a financing statement with respect to any part of the Mortgaged Property which is or may become a Fixture.

3. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all Rents. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all Rents and to authorize and empower Lender to collect and receive all Rents without the necessity of further action on the part of Borrower. Promptly upon request by Lender, Borrower agrees to execute and deliver such further assignments as Lender may from time to time require. Borrower and Lender intend this assignment of Rents to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of Rents, and for no other purpose, Rents shall not be deemed to be a part of the "Mortgaged Property," as that term is defined in Section 1. However, if this present, absolute and unconditional assignment of Rents is not enforceable by its terms under the laws of the Property Jurisdiction, then the Rents shall be included as a part of the Mortgaged Property and it is the intention of the Borrower that in this circumstance this Instrument create

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and perfect a lien on Rents in favor of Lender, which lien shall be effective as of the date of this Instrument.

(b) After the occurrence of an Event of Default, Borrower authorizes Lender to collect, sue for and compromise Rents and directs each tenant of the Mortgaged Property to pay all Rents to, or as directed by, Lender. However, until the occurrence of an Event of Default, Lender hereby grants to Borrower a revocable license to collect and receive all Rents, to hold all Rents in trust for the benefit of Lender and to apply all Rents to pay the installments of interest and principal then due and payable under the Note and the other amounts then due and payable under the other Loan Documents, including Imposition Deposits, and to pay the current costs and expenses of managing, operating and maintaining the Mortgaged Property, including utilities, Taxes and insurance premiums (to the extent not included in Imposition Deposits), tenant improvements and other capital expenditures. So long as no Event of Default has occurred and is continuing, the Rents remaining after application pursuant to the preceding sentence may be retained by Borrower free and clear of, and released from, Lender's rights with respect to Rents under this Instrument. From and after the occurrence of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, or by a receiver, Borrower's license to collect Rents shall automatically terminate and Lender shall without notice be entitled to all Rents as they become due and payable, including Rents then due and unpaid. Borrower shall pay to Lender upon demand all Rents to which Lender is entitled. At any time on or after the date of Lender's demand for Rents, Lender may give, and Borrower hereby irrevocably authorizes Lender to give, notice to all tenants of the Mortgaged Property instructing them to pay all Rents to Lender, no tenant shall be obligated to inquire further as to the occurrence or continuance of an Event of Default, and no tenant shall be obligated to pay to Borrower any amounts which are actually paid to Lender in response to such a notice. Any such notice by Lender shall be delivered to each tenant personally, by mail or by delivering such demand to each rental unit. Borrower shall not interfere with and shall cooperate with Lender's collection of such Rents. After an Event of Default, Lender is further authorized to give notice to all third party providers, including insurers, any governmental provider, or Medicare or Medicaid or any similar program or provider, at Lender's option, instructing them to pay all Rents which would be otherwise paid to Borrower to Lender, to the extent permitted by law.

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(c) Borrower represents and warrants to Lender that Borrower has not executed any prior assignment of Rents (other than an assignment of Rents securing indebtedness that will be paid off and discharged with the proceeds of the loan evidenced by the Note), that Borrower has not performed, and Borrower covenants and agrees that it will not perform, any acts and has not executed, and shall not execute, any instrument which would prevent Lender from exercising its rights under this Section 3, and that at the time of execution of this Instrument there has been no anticipation or prepayment of any Rents for more than two months prior to the due dates of such Rents. Borrower shall not collect or accept payment of any Rents more than two months prior to the due dates of such Rents. Because of the special regulatory requirements applicable to the Mortgaged Property as a Seniors Housing Facility, including the requirement that operators be

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approved and licensed, Borrower (and any licensed operator or manager of the Mortgaged Property), in order to induce Lender to lend funds hereunder, hereby agrees, upon the occurrence of an Event of Default and at the option of Lender, that it shall continue to provide all necessary services required under any operating agreement or applicable licensing or regulatory requirements and shall fully cooperate with Lender and any receiver as may be appointed by a court, in performing these services and agree to arrange for an orderly transition to a replacement licensed operator, manager or provider of the necessary services.

(d) If an Event of Default has occurred and is continuing, Lender may, regardless of the adequacy of Lender's security or the solvency of Borrower and even in the absence of waste, enter upon and take and maintain full control of the Mortgaged Property in order to perform all acts that Lender in its discretion determines to be necessary or desirable for the operation and maintenance of the Mortgaged Property, including the execution, cancellation or modification of Leases, the collection of all Rents, the making of repairs to the Mortgaged Property and the execution or termination of contracts providing for the management, operation or maintenance of the Mortgaged Property, for the purposes of enforcing the assignment of Rents pursuant to Section 3(a), protecting the Mortgaged Property or the security of this Instrument, or for such other purposes as Lender in its discretion may deem necessary or desirable. Alternatively, if an Event of Default has occurred and is continuing, regardless of the adequacy of Lender's security, without regard to Borrower's solvency and without the necessity of giving prior notice (oral or written) to Borrower, Lender may apply to any court having jurisdiction for the appointment of a receiver for the Mortgaged Property to take any or all of the actions set forth in the preceding sentence. If Lender elects to seek the appointment of a receiver for the Mortgaged Property at any time after an Event of Default has occurred and is continuing, Borrower, by its execution of this Instrument, expressly consents to the appointment of such receiver, including the appointment of a receiver ex parte if permitted by applicable law. Lender or the receiver, as the case may be, shall be entitled to receive a reasonable fee for managing the Mortgaged Property. Immediately upon appointment of a receiver or immediately upon the Lender's entering upon and taking possession and control of the Mortgaged Property, Borrower shall surrender possession of the Mortgaged Property to Lender or the receiver, as the case may be, and shall deliver to Lender or the receiver, as the case may be, all documents, records (including records on electronic or magnetic media), accounts, surveys, plans, and specifications relating to the Mortgaged Property and all security deposits and prepaid Rents. In the event Lender takes possession and control of the Mortgaged Property, Lender may exclude Borrower and its representatives from the Mortgaged Property. Borrower acknowledges and agrees that the exercise by Lender of any of the rights conferred under this Section 3 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and Improvements.

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(e) If Lender enters the Mortgaged Property, Lender shall be liable to account only to Borrower and only for those Rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Mortgaged

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Property, by reason of any act or omission of Lender under this Section 3, and Borrower hereby releases and discharges Lender from any such liability to the fullest extent permitted by law.

(f) If the Rents are not sufficient to meet the costs of taking control of and managing the Mortgaged Property and collecting the Rents, any funds expended by Lender for such purposes shall become an additional part of the Indebtedness as provided in Section 12.

(g) Any entering upon and taking of control of the Mortgaged Property by Lender or the receiver, as the case may be, and any application of Rents as provided in this Instrument shall not cure or waive any Event of Default or invalidate any other right or remedy of Lender under applicable law or provided for in this Instrument.

(h) Upon the satisfaction of all obligations of Borrower secured hereby, at Borrower's request and at its cost, Lender shall reassign all of its right, title and interest in and to the Rents to Borrower.

4. ASSIGNMENT OF LEASES; LEASES AFFECTING THE MORTGAGED PROPERTY.

(a) As part of the consideration for the Indebtedness, Borrower absolutely and unconditionally assigns and transfers to Lender all of Borrower's right, title and interest in, to and under the Leases, including Borrower's right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease. It is the intention of Borrower to establish a present, absolute and irrevocable transfer and assignment to Lender of all of Borrower's right, title and interest in, to and under the Leases. Borrower and Lender intend this assignment of the Leases to be immediately effective and to constitute an absolute present assignment and not an assignment for additional security only. For purposes of giving effect to this absolute assignment of the Leases, and for no other purpose, the Leases shall not be deemed to be a part of the "Mortgaged Property," as that term is defined in Section 1. However, if this present, absolute and unconditional assignment of the Leases is not enforceable by its terms under the laws of the Property Jurisdiction, then the Leases shall be included as a part of the Mortgaged Property and it is the intention of the Borrower that in this circumstance this Instrument create and perfect a lien on the Leases in favor of Lender, which lien shall be effective as of the date of this Instrument.

(b) Until Lender gives notice to Borrower of Lender's exercise of its rights under this Section 4, Borrower shall have all rights, power and authority granted to Borrower under any Lease (except as otherwise limited by this Section or any other provision of this Instrument), including the right, power and authority to modify the terms of any Lease or extend or terminate any Lease. Upon the occurrence of an Event of Default, the permission given to Borrower pursuant to the preceding sentence to exercise all rights, power and authority under Leases shall automatically terminate. Borrower shall comply with and observe Borrower's obligations under all Leases, including Borrower's obligations pertaining to the maintenance and disposition of tenant security deposits.

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(c) Borrower acknowledges and agrees that the exercise by Lender, either directly or by a receiver, of any of the rights conferred under this Section 4 shall not be construed to make Lender a mortgagee-in-possession of the Mortgaged Property so long as Lender has not itself entered into actual possession of the Land and the Improvements. The acceptance by Lender of the assignment of the Leases pursuant to Section 4(a) shall not at any time or in any event obligate Lender to take any action under this Instrument or to expend any money or to incur any expenses. Lender shall not be liable in any way for any injury or damage to person or property sustained by any person or persons, firm or corporation in or about the Mortgaged Property. Prior to Lender's actual entry into and taking possession of the Mortgaged Property, Lender shall not (i) be obligated to perform any of the terms, covenants and conditions contained in any Lease (or otherwise have any obligation with respect to any Lease); (ii) be obligated to appear in or defend any action or proceeding relating to the Lease or the Mortgaged Property; or (iii) be responsible for the operation, control, care, management or repair of the Mortgaged Property or any portion of the Mortgaged Property. The execution of this Instrument by Borrower shall constitute conclusive evidence that all responsibility for the operation, control, care, management and repair of the Mortgaged Property is and shall be that of Borrower, prior to such actual entry and taking of possession.

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(d) Upon delivery of notice by Lender to Borrower of Lender's exercise of Lender's rights under this Section 4 at any time after the occurrence of an Event of Default, and without the necessity of Lender entering upon and taking and maintaining control of the Mortgaged Property directly, by a receiver, or by any other manner or proceeding permitted by the laws of the Property Jurisdiction, Lender immediately shall have all rights, powers and authority granted to Borrower under any Lease, including the right, power and authority to modify the terms of any such Lease, or extend or terminate any such Lease.

(e) Borrower shall, promptly upon Lender's request, deliver to Lender an executed copy of each residential Lease then in effect. All Leases for residential dwelling units shall be on forms approved by Lender (provided that Borrower may make non-material changes to such forms and Borrower may make changes to individual leases that are not reasonably likely to result in a Material Adverse Effect (as defined in the Master Agreement)), shall be for initial terms of at least six months and not more than two years, and shall not include options to purchase. Any other changes to the approved form of Lease or any individual lease shall require Lender's prior written consent, which shall not be unreasonably withheld. If customary in the applicable market, residential Leases with terms of less than six months may be permitted with Lender's prior written consent, which consent shall not be unreasonably withheld. Notwithstanding the foregoing, residential Leases with month-to-month terms are permitted and shall be acceptable hereunder.

(f) Borrower shall not lease any portion of the Mortgaged Property for non-residential use except with the prior written consent of Lender and Lender's prior written approval of the Lease agreement, which consent and approval shall not be unreasonably withheld. Borrower

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shall not modify the terms of, or extend or terminate, any Lease for non-residential use (including any Lease in existence on the date of this Instrument) without the prior written consent of Lender.

Borrower shall, without request by Lender, deliver an executed copy of each non-residential Lease to Lender promptly after such Lease is signed. All non-residential Leases, including renewals or extensions of existing Leases, shall specifically provide that (1) such Leases are subordinate to the lien of this Instrument (unless waived in writing by Lender); (2) the tenant shall attorn to Lender and any purchaser at a foreclosure sale, such attornment to be self-executing and effective upon acquisition of title to the Mortgaged Property by any purchaser at a foreclosure sale or by Lender in any manner; (3) the tenant agrees to execute such further evidences of attornment as Lender or any purchaser at a foreclosure sale may from time to time request; (4) the Lease shall not be terminated by foreclosure or any other transfer of the Mortgaged Property; (5) after a foreclosure sale of the Mortgaged Property, Lender or any other purchaser at such foreclosure sale may, at Lender's or such purchaser's option, accept or terminate such Lease; and (6) the tenant shall, upon receipt after the occurrence of an Event of Default of a written request from Lender, pay all Rents payable under the Lease to Lender.

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(g) Except with respect to Leases constituting not more than 1% of all Leases, Borrower shall not receive or accept Rent under any Lease (whether residential or non-residential) for more than two months in advance.

(h) Upon satisfaction of all obligations of Borrower secured hereby, at Borrower's request and at its cost, Lender shall reassign all of its right, title and interest in, to and under the Leases to Borrower.

5. PAYMENT OF INDEBTEDNESS; PERFORMANCE UNDER LOAN DOCUMENTS; PREPAYMENT PREMIUM. Borrower shall pay the Indebtedness when due in accordance with the terms of the Note and the other Loan Documents and shall perform, observe and comply with all other provisions of the Note and the other Loan Documents. The Borrower shall pay the Facility Termination Fee (as such term is defined in the Master Agreement) and other prepayment premiums and fees as provided in the Master Agreement and the other Loan Documents.

6. EXCULPATION. The provisions of Article XXII of the Master Agreement (entitled "**LIMITS ON PERSONAL LIABILITY**") are hereby incorporated into this Instrument by this reference to the fullest extent as if the text of such Article were set forth in its entirety herein.

7. DEPOSITS FOR TAXES, INSURANCE AND OTHER CHARGES.

(a) Except as otherwise provided in Section 20.01 of the Master Agreement, Borrower shall deposit with Lender on the day monthly installments of principal or interest, or both, are due under the Note (or on another day designated in writing by Lender), until the Indebtedness is paid in full, an additional amount sufficient to accumulate with Lender the entire

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sum required to pay, when due (1) any water and sewer charges which, if not paid, may result in a lien on all or any part of the Mortgaged Property, (2) the premiums for fire and other hazard insurance, rent loss insurance and such other insurance as Lender may require under Section 19, (3) Taxes, and (4) amounts for other charges and expenses which Lender at any time reasonably deems necessary to prevent the imposition of liens on the Mortgaged Property, all as reasonably estimated from time to time by Lender. The amounts deposited under the preceding sentence are collectively referred to in this Instrument as the "**Imposition Deposits**". The obligations of Borrower for which the Imposition Deposits are required are collectively referred to in this Instrument as "**Impositions**". The amount of the Imposition Deposits shall be sufficient to enable Lender to pay each Imposition before the last date upon which such payment may be made without any penalty or interest charge being added. Lender shall maintain records indicating how much of the monthly Imposition Deposits and how much of the aggregate Imposition Deposits held by Lender are held for the purpose of paying Taxes, insurance premiums and each other obligation of Borrower for which Imposition Deposits are required. Any waiver by Lender of the requirement that Borrower remit Imposition Deposits to Lender may be revoked by Lender, in Lender's discretion, at any time upon notice to Borrower.

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(b) Imposition Deposits shall be held in an institution (which may be Lender, if Lender is such an institution) designated by Loan Servicer, with the consent of Borrower, which consent shall not be unreasonably withheld, whose deposits or accounts are insured or guaranteed by a federal agency. Lender shall not be obligated to open additional accounts or deposit Imposition Deposits in additional institutions when the amount of the Imposition Deposits exceeds the maximum amount of the federal deposit insurance or guaranty. Lender shall apply the Imposition Deposits to pay Impositions so long as no Event of Default has occurred and is continuing. Unless applicable law requires, or Loan Servicer agrees in writing otherwise, Lender shall not be required to pay Borrower any interest, earnings or profits on the Imposition Deposits. Borrower hereby pledges and grants to Lender a security interest in the Imposition Deposits as additional security for all of Borrower's obligations under this Instrument and the other Loan Documents. Any amounts deposited with Lender under this Section 7 shall not be trust funds, nor shall they operate to reduce the Indebtedness, unless applied by Lender for that purpose under Section 7(e).

(c) If Lender receives a bill or invoice for an Imposition, Lender shall promptly deliver a copy of the bill or invoice to Borrower. Lender shall not pay any Impositions from Imposition Deposits until after the date which is 14 days prior to the due date, and shall promptly advise Borrower of any such payment. Lender shall honor instructions from Borrower regarding the payment or nonpayment of any Impositions, provided that Lender shall always have the right to pay the Impositions from the Impositions Deposits as set forth above. If the amount due with respect to a particular Imposition exceeds the amount of the Imposition Deposits then held by Lender, Lender shall remit, on account of the Imposition, the amount of the Imposition Deposits then held by Lender. Lender shall furnish to Borrower such copies of bills or invoices and checks and other remittances sent by Lender as Borrower may reasonably request. Lender shall have no obligation or liability to Borrower arising out of Lender's compliance with the

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procedures in this subsection even if, as a result of Lender's failure to pay an Imposition resulting from Lender's adherence to Borrower's instructions, Borrower becomes liable for any penalty, interest or other burden due to the failure to make timely payment. Lender may pay an Imposition according to any bill, statement or estimate from the appropriate public office or insurance company without inquiring into the accuracy of the bill, statement or estimate or into the validity of the Imposition.

(d) If at any time the amount of the Imposition Deposits held by Lender for payment of a specific Imposition exceeds the amount reasonably deemed necessary by Lender, the excess shall be credited against future installments of Imposition Deposits or refunded to Borrower as reasonably determined by the Loan Servicer. If at any time the amount of the Imposition Deposits held by Lender for payment of a specific Imposition is less than the amount reasonably estimated by Lender to be necessary, Borrower shall pay to Lender the amount of the deficiency within 15 days after notice from Lender.

(e) If an Event of Default has occurred and is continuing, Lender may apply any Imposition Deposits, in any amounts and in any order as Lender determines, in Lender's discretion, to pay any Impositions or as a credit against the Indebtedness. Upon payment in full of the Indebtedness, Lender shall refund to Borrower any Imposition Deposits held by Lender.

8. COLLATERAL AGREEMENTS. Borrower shall deposit with Lender such amounts as may be required by any Collateral Agreement and shall perform all other obligations of Borrower under each Collateral Agreement. **00838493**

9. APPLICATION OF PAYMENTS. Neither Lender's acceptance of an amount which is less than all amounts then due and payable nor Lender's application of such payment in the manner authorized shall constitute or be deemed to constitute either a waiver of the unpaid amounts or an accord and satisfaction. Notwithstanding the application of any such amount to the Indebtedness, Borrower's obligations under this Instrument and the Note shall remain unchanged. The provisions of Section 18.07 of the Master Agreement (entitled "**Application of Payments**") are hereby incorporated into this Instrument by this reference to the fullest extent as if the text of such Section were set forth in its entirety herein.

10. COMPLIANCE WITH LAWS. Borrower shall comply with all laws, ordinances, regulations and requirements of any Governmental Authority and all recorded lawful covenants and agreements relating to or affecting the Mortgaged Property, including all laws, ordinances, regulations, requirements and covenants pertaining to health and safety, construction of improvements on the Mortgaged Property, fair housing, zoning and land use, and Leases, except to the extent that such non-compliance is not material and does not subject the Mortgaged Property to any liens or penalties. Borrower also shall comply with all applicable laws that pertain to the maintenance and disposition of tenant security deposits. Borrower shall at all times maintain records sufficient to demonstrate compliance with the provisions of this Section 10. Borrower shall take appropriate measures to prevent, and shall not engage in or knowingly

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permit, any illegal activities at the Mortgaged Property that could endanger tenants or visitors, result in damage to the Mortgaged Property, result in forfeiture of the Mortgaged Property, or otherwise materially impair the lien created by this Instrument or Lender's interest in the Mortgaged Property. Borrower represents and warrants to Lender that no portion of the Mortgaged Property has been or will be purchased with the proceeds of any illegal activity.

11. USE OF PROPERTY. Unless required by applicable law, Borrower shall not (a) except for any change in use approved by Lender, allow changes in the use for which all or any part of the Mortgaged Property is being used at the time this Instrument was executed, (b) convert any individual dwelling units or common areas to commercial use, (c) initiate or acquiesce in a change in the zoning classification of the Mortgaged Property, or (d) establish any condominium or cooperative regime with respect to the Mortgaged Property. Borrower further covenants and agrees that it shall not permit more than 20% of its total units or more than 20% of its total income to be derived from units relying on Medicaid or Medicare payments. If by reason of applicable law or regulation more than 20% of the total units or more than 20% of total income becomes derived from units relying on Medicaid or Medicare payments, the Borrower shall diligently and expeditiously take all reasonable steps necessary to bring the Mortgaged Property into compliance with the preceding sentence to the extent permissible by applicable law or regulation. Borrower further covenants and agrees that it shall limit the use and occupancy of the Mortgaged Property to tenants that meet the standards for congregate living or assisted living, and that it shall not accept tenants that require skilled nursing care or permit, except to the extent required by law, tenants requiring skilled nursing care to remain at the Mortgaged Property as a routine matter.

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12. PROTECTION OF LENDER'S SECURITY.

(a) If Borrower fails to perform any of its obligations under this Instrument or any other Loan Document, or if any action or proceeding is commenced which purports to affect the Mortgaged Property, Lender's security or Lender's rights under this Instrument, including eminent domain, insolvency, code enforcement, civil or criminal forfeiture, enforcement of Hazardous Materials Laws, fraudulent conveyance or reorganizations or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such actions as Lender reasonably deems necessary to perform such obligations of Borrower and to protect Lender's interest, including (1) payment of fees and out-of-pocket expenses of attorneys, accountants, inspectors and consultants, (2) entry upon the Mortgaged Property to make repairs or secure the Mortgaged Property, (3) procurement of the insurance required by Section 19, (4) payment of amounts which Borrower has failed to pay under Sections 15 and 17, and, (5) payments for any required licensing fees, permits, or other expenses related to the operation of the Mortgaged Property by or on behalf of the Lender as a Seniors Housing Facility, any fines or penalties that may be assessed against the Mortgaged Property, any costs incurred to bring the Mortgaged Property into full compliance with applicable codes and regulatory requirements, and any fees or costs related to Lender's employment of a licensed operator for the Mortgaged Property.

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(b) Any amounts disbursed by Lender under this Section 12, or under any other provision of this Instrument that treats such disbursement as being made under this Section 12, shall be added to, and become part of, the principal component of the Indebtedness, shall be immediately due and payable and shall bear interest from the date of disbursement until paid at the "**Default Rate**", as defined in the Note.

(c) Nothing in this Section 12 shall require Lender to incur any expense or take any action.

13. RESERVED.

14. BOOKS AND RECORDS .

Borrower shall keep and maintain at all times and upon Lender's request shall make available to Lender or the Loan Servicer (or their respective representatives) complete and accurate books of account and records (including copies of supporting bills and invoices) adequate to reflect correctly the operation of the Mortgaged Property, and copies of all written contracts, Leases, and other instruments which affect the Mortgaged Property. The books, records, contracts, Leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender, the Loan Servicer or their respective representatives during normal business hours and upon at least 24 hours prior notice.

15. TAXES; OPERATING EXPENSES.

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(a) Subject to the provisions of Section 15(c) and Section 15(d), Borrower shall pay, or cause to be paid, all Taxes when due and before the addition of any interest, fine, penalty or cost for nonpayment.

(b) Subject to the provisions of Section 15(c), Borrower shall pay the expenses of operating, managing, maintaining and repairing the Mortgaged Property (including insurance premiums, utilities, repairs and replacements) before the last date upon which each such payment may be made without any penalty or interest charge being added.

(c) As long as no Event of Default exists and Borrower has timely delivered to Lender any bills or premium notices that it has received, Borrower shall not be obligated to pay Taxes, insurance premiums or any other individual Imposition to the extent that sufficient Imposition Deposits are held by Lender for the purpose of paying that specific Imposition. If an Event of Default exists, Lender may exercise any rights Lender may have with respect to Imposition Deposits without regard to whether Impositions are then due and payable. Lender shall have no liability to Borrower for failing to pay any Impositions to the extent that any Event of Default has occurred and is continuing, insufficient Imposition Deposits are held by Lender at

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the time an Imposition becomes due and payable or Borrower has failed to provide Lender with bills and premium notices as provided above.

(d) Borrower, at its own expense, may contest by appropriate legal proceedings, conducted diligently and in good faith, the amount or validity of any Imposition other than insurance premiums, if (1) Borrower notifies Lender of the commencement or expected commencement of such proceedings, (2) the Mortgaged Property is not in danger of being sold or forfeited, (3) Borrower deposits with Lender reserves sufficient to pay the contested Imposition, if requested by Lender, and (4) Borrower furnishes whatever additional security is required in the proceedings or is reasonably requested by Lender, which may include the delivery to Lender of the reserves established by Borrower to pay the contested Imposition.

(e) Borrower shall promptly deliver to Lender a copy of all notices of, and invoices for, Impositions, and if Borrower pays any Imposition directly, Borrower shall promptly furnish to Lender receipts evidencing such payments.

16. LIENS; ENCUMBRANCES. Borrower acknowledges that the grant, creation or existence of any mortgage, deed of trust, deed to secure debt, security interest or other lien or encumbrance (a "Lien") on the Mortgaged Property (other than the lien of this Instrument) in violation of this Instrument or the Master Agreement, whether or not such Lien has priority over the lien of this Instrument, is a "Transfer" which constitutes an Event of Default.

17. PRESERVATION, MANAGEMENT AND MAINTENANCE OF MORTGAGED PROPERTY.

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(a) Borrower (1) shall not commit waste or permit impairment or deterioration of the Mortgaged Property, (2) shall not abandon the Mortgaged Property, (3) shall restore or repair promptly, in a good and workmanlike manner, any damaged part of the Mortgaged Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, whether or not insurance proceeds or condemnation awards are available to cover any costs of such restoration or repair, (4) shall keep the Mortgaged Property in good repair, including the replacement of Personalty and Fixtures in accordance with prudent real estate management practices for first class Seniors Housing Facilities, (5) shall provide for professional management of the Mortgaged Property by an operator of a Seniors Housing Facility and any management company engaged thereby and satisfactory to Lender under a contract approved by Lender in writing, and (6) shall give notice to Lender of and, unless otherwise directed in writing by Lender, shall appear in and defend any action or proceeding purporting to affect the Mortgaged Property, Lender's security or Lender's rights under this Instrument. Borrower shall not (and shall not permit any tenant or other person to) remove, demolish or alter the Mortgaged Property or any part of the Mortgaged Property except in connection with the replacement of tangible Personalty. Borrower further covenants and agrees that it shall maintain and operate the Mortgaged Property as a Seniors Housing Facility at all times in accordance with the standards required by any applicable license or permit and as required by any regulatory authority, that it

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shall maintain in good standing all operating licenses and permits, and that it shall cause to renew and extend all such required operating licenses or permits, and shall not fail to take any action necessary to keep all such licenses and permits in good standing and full force and effect. Borrower will immediately provide Lender with any notice or order which may adversely impact the Mortgaged Property, its operations or its compliance with licensing and regulatory requirements.

(b) If, in connection with the making of the loan evidenced by the Note or at any later date, Lender waives in writing the requirement of Section 17(a)(5) above that Borrower enter into a written contract for management of the Mortgaged Property and if, after the date of this Instrument, Borrower intends to change the management of the Mortgaged Property, Lender shall have the right to approve such new property manager and the written contract for the management of the Mortgaged Property and require that Borrower and such new property manager enter into an assignment of management agreement in form and substance the same as the Assignment and Subordination of Operating Agreement (as defined in the Master Agreement). If required by Lender (whether before or after an Event of Default), Borrower will cause any Affiliate of Borrower to whom fees are payable for the management of the Mortgaged Property to enter into an agreement with Lender, in substantially the form of such agreement executed concurrently with the execution of this Instrument, providing for subordination of those fees and such other provisions as Lender may reasonably require. "Affiliate of Borrower" means any corporation, partnership, joint venture, limited liability company, limited liability partnership, trust or individual controlled by, under common control with, or which controls Borrower (the term "control" for these purposes shall mean the ability, whether by the ownership of shares or other equity interests, by contract or otherwise, to elect a majority of the directors of a corporation, to make management decisions on behalf of, or independently to select the managing partner of, a partnership, or otherwise to have the power independently to remove and then select a majority of those individuals exercising managerial authority over an entity, and control shall be conclusively presumed in the case of the ownership of 50% or more of the equity interests).

18. ENVIRONMENTAL HAZARDS.

(a) Except for matters covered by a written program of operations and maintenance approved in writing by Lender (an "**O&M Program**") or matters described in Section 18(b), Borrower shall not cause or permit any of the following:

- (1) the presence, use, generation, release, treatment, processing, storage (including storage in above ground and underground storage tanks), handling, or disposal of any Hazardous Materials on or under the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property, the installation of any underground storage tanks, or the failure of any currently existing underground storage tanks to comply with all requirements of Hazardous Materials Laws;

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- (2) the transportation of any Hazardous Materials to, from, or across the Mortgaged Property;
- (3) any occurrence or condition on the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property, which occurrence or condition is or may be in violation of Hazardous Materials Laws; or
- (4) any violation of or noncompliance or occurrence of any event which, with the passage of time or the giving of notice, may result in a violation or noncompliance with the terms of any Environmental Permit with respect to the Mortgaged Property or any property of Borrower that is adjacent to the Mortgaged Property or any failure to maintain any Environmental Permit necessary or required for the ownership or operation of the Mortgaged Property in full compliance with all Hazardous Material Laws.

Subject to the exceptions set out in Section 18(b) below, the matters described in clauses (1) through (4) above are referred to collectively in this Section 18 as “**Prohibited Activities or Conditions**”.

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(b) Prohibited Activities and Conditions shall not include the safe and lawful use, transportation and storage of quantities of (1) pre-packaged supplies, cleaning materials and petroleum products customarily used in the operation and maintenance of comparable Seniors Housing Facilities; (2) cleaning materials, personal grooming items and other items sold in pre-packaged containers for consumer use and used by tenants and occupants of residential dwelling units in the Mortgaged Property; (3) petroleum products used in the operation and maintenance of the Mortgaged Property or motor vehicles from time to time located on the Mortgaged Property's parking areas, so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with Hazardous Materials Laws; and (4) incidental transportation of petroleum products across the Mortgaged Property on thoroughfares with public access in compliance with Hazardous Materials Laws. Prohibited Activities and Conditions also shall not include the safe and lawful use and storage of medical products and devices customarily used in the operation of a Seniors Housing Facility

(c) Borrower shall take all commercially reasonable actions (including the inclusion of appropriate provisions in any Leases executed after the date of this Instrument) to prevent its employees, agents, and contractors, and all tenants and other occupants from causing or permitting any Prohibited Activities or Conditions. Borrower shall not lease or allow the sublease or use of all or any portion of the Mortgaged Property to any tenant or subtenant for nonresidential use by any user that, in the ordinary course of its business, would cause or permit any Prohibited Activity or Condition.

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(d) If an O&M Program has been established with respect to Hazardous Materials, Borrower shall comply in a timely manner with, and cause all employees, agents, and contractors of Borrower and any other persons present on the Mortgaged Property to comply with the O&M Program. All costs of performance of Borrower's obligations under any O&M Program shall be paid by Borrower, and Lender's out-of-pocket costs incurred in connection with the monitoring and review of the O&M Program and Borrower's performance shall be paid by Borrower upon demand by Lender. Any such out-of-pocket costs of Lender which Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 12.

(e) Borrower represents and warrants to Lender that, except as previously disclosed by Borrower to Lender in the written environmental reports previously provided to Lender by Borrower as of the date of this Instrument:

- (1) Borrower has not at any time engaged in, caused or permitted any Prohibited Activities or Conditions;
- (2) to the best of Borrower's knowledge after reasonable and diligent inquiry, no Prohibited Activities or Conditions exist or have existed;
- (3) except to the extent previously disclosed by Borrower to Lender in writing, the Mortgaged Property does not now contain any underground storage tanks, and, to the best of Borrower's knowledge after reasonable and diligent inquiry, the Mortgaged Property has not contained any underground storage tanks in the past. If there is an underground storage tank located on the Property which has been previously disclosed by Borrower to Lender in writing, that tank complies with all requirements of Hazardous Materials Laws;
- (4) Borrower has complied with all Hazardous Materials Laws, including all requirements for notification regarding release of Hazardous Materials, and without limiting the generality of the foregoing, Borrower has obtained all Environmental Permits required for the operation of the Mortgaged Property in accordance with Hazardous Materials Laws now in effect and all such Environmental Permits are in full force and effect;
- (5) no event has occurred with respect to the Mortgaged Property that constitutes, or with the passing of time or the giving of notice would constitute, noncompliance with the terms of any Environmental Permit;
- (6) there are no actions, suits, claims or proceedings pending or, to the best of Borrower's knowledge after reasonable and diligent inquiry, threatened that involve the Mortgaged Property and allege, arise out of, or relate to any Prohibited Activity or Condition; and

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- (7) Borrower has not received any complaint, order, notice of violation or other communication from any Governmental Authority with regard to air emissions, water discharges, noise emissions or Hazardous Materials, or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property.

The representations and warranties in this Section 18 shall remain in full force and effect throughout the term of the loan evidenced by the Note, until the Indebtedness has been paid in full.

(f) Borrower shall promptly notify Lender in writing upon the occurrence of any of the following events:

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- (1) Borrower's discovery of any Prohibited Activity or Condition;
- (2) Borrower's receipt of or knowledge of any complaint, order, notice of violation or other communication from any Governmental Authority or other person with regard to present or future alleged Prohibited Activities or Conditions or any other environmental, health or safety matters affecting the Mortgaged Property or any other property of Borrower that is adjacent to the Mortgaged Property; and
- (3) any representation or warranty in this Section 18 becomes untrue after the date of this Agreement.

Any such notice given by Borrower shall not relieve Borrower of, or result in a waiver of, any obligation under this Instrument, the Note, or any other Loan Document.

(g) Borrower shall pay promptly the costs of any environmental inspections, tests or audits ("**Environmental Inspections**") required by Lender in connection with any foreclosure or deed in lieu of foreclosure, or as a condition of Lender's consent to any Transfer under Section 21, or required by Lender following a reasonable determination by Lender that Prohibited Activities or Conditions may exist. Any such costs incurred by Lender (including the fees and out-of-pocket costs of attorneys and technical consultants whether incurred in connection with any judicial or administrative process or otherwise) which Borrower fails to pay promptly shall become an additional part of the Indebtedness as provided in Section 12. The results of all Environmental Inspections made by Lender shall at all times remain the property of Lender, but Lender shall make available to Borrower the written environmental report resulting from such Environmental Inspections. Lender hereby reserves the right, and Borrower hereby expressly authorizes Lender, to make available to any party, including any prospective bidder at a foreclosure sale of the Mortgaged Property, the results of any Environmental Inspections made

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by Lender with respect to the Mortgaged Property. Borrower consents to Lender notifying any party (either as part of a notice of sale or otherwise) of the results of any of Lender's Environmental Inspections. Borrower acknowledges that Lender cannot control or otherwise assure the truthfulness or accuracy of the results of any of its Environmental Inspections and that the release of such results to prospective bidders at a foreclosure sale of the Mortgaged Property may have a material and adverse effect upon the amount which a party may bid at such sale. Borrower agrees that Lender shall have no liability whatsoever as a result of delivering the results of any of its Environmental Inspections to any third party, and Borrower hereby releases and forever discharges Lender from any and all claims, damages, or causes of action, arising out of, connected with or incidental to the results of, the delivery of any of Lender's Environmental Inspections.

(h) If any investigation, site monitoring, containment, clean-up, restoration or other remedial work ("**Remedial Work**") is necessary to comply with any Hazardous Materials Law or order of any Governmental Authority that has or acquires jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property under any Hazardous Materials Law, Borrower shall, by the earlier of (1) the applicable deadline required by Hazardous Materials Law or (2) 60 days after notice from Lender demanding such action, begin performing the Remedial Work, and thereafter diligently prosecute it to completion, and shall in any event complete the work by the time required by applicable Hazardous Materials Law. If Borrower fails to begin on a timely basis or diligently prosecute any required Remedial Work, Lender may, at its option, cause the Remedial Work to be completed, in which case Borrower shall reimburse Lender on demand for the cost of doing so. Any reimbursement due from Borrower to Lender shall become part of the Indebtedness as provided in Section 12.

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(i) Borrower shall cooperate with any inquiry by any Governmental Authority and shall comply with any governmental or judicial order which arises from any alleged Prohibited Activity or Condition.

(j) Borrower shall indemnify, hold harmless and defend (i) Lender, (ii) any prior owner or holder of the Note, (iii) the Loan Servicer, (iv) any prior Loan Servicer, (v) the officers, directors, shareholders, partners, employees and trustees of any of the foregoing, and (vi) the heirs, legal representatives, successors and assigns of each of the foregoing (collectively, the "**Indemnitees**") from and against all proceedings, claims, damages, penalties and costs (whether initiated or sought by Governmental Authorities or private parties), including fees and out-of-pocket expenses of attorneys and expert witnesses, investigatory fees, and remediation costs, whether incurred in connection with any judicial or administrative process or otherwise, arising directly or indirectly from any of the following:

- (1) any breach of any representation or warranty of Borrower in this Section 18;

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- (2) any failure by Borrower to perform any of its obligations under this Section 18;
- (3) the existence or alleged existence of any Prohibited Activity or Condition;
- (4) the presence or alleged presence of Hazardous Materials on or under the Mortgaged Property or any property of Borrower that is adjacent to the Mortgaged Property; and
- (5) the actual or alleged violation of any Hazardous Materials Law.

Notwithstanding the foregoing, in no event shall Borrower indemnify any Indemnitee for (i) such Indemnitees' gross negligence or willful misconduct or (ii) any Prohibited Activity or condition that occurs, or the presence of Hazardous Materials on the Mortgaged Property which are brought on the Mortgaged Property, during the time that Lender or its successors or assigns (including a purchaser at a foreclosure sale) takes actual physical possession and control of such Mortgaged Property (except to the extent caused by Borrower or its affiliates).

(k) An Indemnitee claiming indemnification under this Section 18 shall promptly notify Borrower of the nature and basis of the claim or legal or administrative proceeding giving rise to such claim for indemnification (an "Indemnified Claim"). The notice shall afford the opportunity to Borrower to assume the prosecution or defense of the Indemnified Claim (with counsel selected by Borrower and reasonably acceptable to the Indemnitee). Failure by an Indemnitee to give timely notice to Borrower of an Indemnified Claim shall not release any of Borrower's obligations hereunder except to the extent Borrower is prejudiced thereby. Whether or not Borrower elects to assume the defense of the Indemnified Claim, Borrower shall cooperate with the Indemnitee in the defense of the Indemnified Claim.

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(1) If Borrower timely elects to assume the prosecution or defense of the Indemnified Claim, Borrower shall have the right to settle the Indemnified Claim on any terms it considers reasonable provided that the settlement either (i) shall not materially and adversely affect Lender, as determined by Lender in its reasonable discretion, or (ii) shall result in the entry of a judgment that includes as an unconditional term the delivery by the claimant or plaintiff to Lender of written release of the Indemnitees, in form and substance reasonably satisfactory to Lender.

(2) If Borrower fails timely to elect to assume the prosecution or defense of the Indemnified Claim, the Indemnitee shall have the right to employ its own legal counsel and consultants to prosecute or defend the Indemnified Claim or negotiate a settlement of the Indemnified Claim on any terms it considers reasonable, but only with the prior written consent of Borrower (which shall not be unreasonably withheld, delayed or conditioned). Borrower shall reimburse Lender upon demand for all costs and expenses incurred by Lender in connection with

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any such prosecution, defense or settlement, including all costs of settlements entered into in good faith, and the fees and out-of-pocket expenses of such attorneys and consultants.

(l) In a case in which Borrower assumes the prosecution or defense of an Indemnified Claim, the Indemnitee may employ its own counsel but such employment shall be at the sole expense of the Indemnitee except when the Indemnitee determines in good faith the Borrower's proposed counsel has a conflict of interest in which case Borrower shall reimburse Lender on demand for the fees and expenses of Lender's counsel. Further, a case in which Borrower assumes the prosecution or defense of an Indemnified Claim but the same counsel may not represent both the Indemnitee and Borrower, or in a case in which Borrower fails to timely assume the prosecution or defense of the Indemnified Claim, the Indemnitee may employ its own counsel and such employment shall be at the sole expense of Borrower.

(m) Except to the extent provided in Article XXII of the Master Agreement, and except for the liability of any Key Principal under its respective guaranty, Lender agrees that the indemnity under this Section 18 shall be limited to the assets of Borrower and Lender shall not seek to recover any deficiency from any persons that are partners or other direct or indirect owners of Borrower or any individuals employed or otherwise affiliated with Borrower, any of its partners or any direct or indirect owners of Borrower.

(n) Borrower shall, at its own cost and expense, do all of the following:

- (1) pay or satisfy any judgment or decree that may be entered against any Indemnitee or Indemnitees in any legal or administrative proceeding incident to any matters against which Indemnitees are entitled to be indemnified under this Section 18;
- (2) reimburse Indemnitees for any expenses paid or incurred in connection with any matters against which Indemnitees are entitled to be indemnified under this Section 18; and
- (3) reimburse Indemnitees for any and all expenses, including fees and out-of-pocket expenses of attorneys and expert witnesses, paid or incurred in connection with the enforcement by Indemnitees of their rights under this Section 18, or in monitoring and participating in any legal or administrative proceeding to the extent provided in this Section 18.

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(o) The provisions of this Section 18 shall be in addition to any and all other obligations and liabilities that Borrower may have under applicable law or under other Loan Documents, and each Indemnitee shall be entitled to indemnification under this Section 18 without regard to whether Lender or that Indemnitee has exercised any rights against the Mortgaged Property or any other security, pursued any rights against any guarantor, or pursued any other rights available under the Loan Documents or applicable law. If Borrower consists of

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more than one person or entity, the obligation of those persons or entities to indemnify the Indemnitees under this Section 18 shall be joint and several. The obligation of Borrower to indemnify the Indemnitees under this Section 18 shall survive any repayment or discharge of the Indebtedness, any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the lien of this Instrument until the later to occur of (i) the date that is one year after the Satisfaction Date (as defined in the Master Agreement) or (ii) the date on which liquidation of the Borrower and final distribution of the assets of the Borrower occurs pursuant to Section 17-804 of the Delaware Revised Uniform Limited Partnership Act or the equivalent provisions of any other applicable law under which the Borrower is organized.

19. PROPERTY AND LIABILITY INSURANCE.

(a) Borrower shall keep the Improvements insured at all times against such hazards as Lender may from time to time require, which insurance shall include but not be limited to coverage against loss by fire and allied perils, general boiler and machinery coverage, and business income coverage. Lender's insurance requirements may change from time to time throughout the term of the Indebtedness. If Lender so requires, such insurance shall also include sinkhole insurance, mine subsidence insurance, earthquake insurance, and, if the Mortgaged Property does not conform to applicable zoning or land use laws, building ordinance or law coverage. If any of the Improvements is located in an area identified by the Federal Emergency Management Agency (or any successor to that agency) as an area having special flood hazards, and if flood insurance is available in that area, Borrower shall insure such Improvements against loss by flood.

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(b) All premiums on insurance policies required under Section 19(a) shall be paid in the manner provided in Section 7, unless Lender has designated in writing another method of payment. All such policies shall also be in a form approved by Lender. All policies of property damage insurance shall include a non-contributing, non-reporting mortgage clause in favor of, and in a form approved by, Lender. Borrower shall promptly deliver to Lender a copy of all renewal and other notices received by Borrower with respect to the policies and all receipts for paid premiums. At least 30 days prior to the expiration date of a policy (or other period permitted by Section 13.14 of the Master Agreement), Borrower shall deliver to Lender an original certificate of insurance confirming Borrower's compliance with this insurance requirements in this Instrument (or a duplicate original) of a renewal policy in form satisfactory to Lender.

(c) Borrower shall maintain at all times commercial general liability insurance, workers' compensation insurance (if applicable) and such other liability, errors and omissions and fidelity insurance coverages as Lender may from time to time reasonably require.

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(d) All insurance policies and renewals of insurance policies required by this Section 19 shall be in such amounts as Lender may from time to time require, and shall be issued by insurance companies satisfactory to Lender.

(e) Borrower shall comply with all insurance requirements and shall not permit any condition to exist on the Mortgaged Property that would invalidate any part of any insurance coverage that this Instrument requires Borrower to maintain.

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(f) In the event of loss, Borrower shall give immediate written notice to the insurance carrier and to Lender. Borrower hereby authorizes and appoints Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claims under policies of property damage insurance, to appear in and prosecute any action arising from such property damage insurance policies, to collect and receive the proceeds of property damage insurance, and to deduct from such proceeds Lender's expenses incurred in the collection of such proceeds. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 19 shall require Lender to incur any expense or take any action. In the event of a casualty where the proceeds of insurance are \$75,000.00 or more but less than \$350,000.00, Lender shall hold such proceeds (after reimbursement of any of Lender's costs and expenses incurred in connection with collection of such amounts), and shall release so much thereof to Borrower as is necessary from time to time to pay for the cost of restoring and repairing the Mortgaged Property to the equivalent of its original condition or other condition approved by Lender in writing, provided that upon completion of the restoration work the quality and class of the Mortgaged Property shall be substantially equal to the quality and class of the Mortgaged Property immediately prior to the casualty (the "Restoration"), provided that (i) no Event of Default has occurred and is continuing, (ii) all such Restoration shall be performed in compliance with all applicable laws and the Mortgaged Property, when restored, shall be in compliance with all applicable laws, and upon completion of the Restoration Borrower shall certify same to Lender in writing, (iii) if Borrower requires periodic payments pursuant to the terms of a written contract, Lender has approved any such contract and the work performed under such contract, and (iv) Lender shall have received from Borrower evidence reasonably satisfactory to Lender that any contractor, subcontractor or entity to receive payments for the Restoration has provided a waiver of lien with respect to the amounts to be paid to such contractor, subcontractor or entity, provided however, that if an event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default has occurred and is continuing, Lender shall have the right not to release any of such insurance proceeds to Borrower to reimburse the cost of Restoration unless and until any such event is cured before it becomes an Event of Default. Any such funds held by Lender not applied for Restoration shall be applied to the repayment of the Indebtedness. Notwithstanding the foregoing, upon and after the occurrence of or Event of Default or the failure of any of the conditions set forth in clauses (i) through (iv) hereof, Lender may revoke its waiver of its right to apply the insurance proceeds to the Restoration of the Mortgaged Property or the payment of the Indebtedness. In the event of a casualty where the proceeds of insurance are \$350,000.00 or more, Lender may, at Lender's option, (1) hold such proceeds (after reimbursing Lender for any costs of collecting such

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proceeds) to be used to reimburse Borrower for the cost of Restoration, or (2) apply the balance of such proceeds to the payment of the Indebtedness, whether or not then due. To the extent Lender determines to apply insurance proceeds to Restoration, Lender shall do so in accordance with Lender's then-current policies relating to the restoration of casualty damage on similar Seniors Housing Facilities.

(g) Lender shall not exercise its option, if any, to apply insurance proceeds in the amount of \$350,000.00 or more to the payment of the Indebtedness if all of the conditions set forth in subparagraphs (i)-(iv) of paragraph 19(f) are satisfied and, in addition, all of the following conditions are met: (1) no Event of Default has occurred and is continuing; (2) Lender determines, in its reasonable discretion, that there will be sufficient funds to complete the Restoration (including any funds Borrower provides to supplement the insurance proceeds if it elects to do so); (3) Lender determines, in its reasonable discretion, that the rental income from the Mortgaged Property after completion of the Restoration will be sufficient to meet all operating costs and other expenses, Imposition Deposits, deposits to reserves and loan repayment obligations relating to the Mortgaged Property; (4) Lender determines, in its reasonable discretion, that the Restoration will be completed before the earlier of (A) one year before the maturity date of the Note or (B) 18 months after the date of the loss or casualty (or the expiration of coverage under the rent loss or rent interruption insurance maintained by Borrower, if earlier than 18 months); and (5) upon Lender's request, Borrower provides Lender evidence of the availability during and after the Restoration of the insurance required to be maintained by Borrower pursuant to this Section 19; provided, however that if an event which, with the giving of notice or the passage of time; or both, would constitute an Event of Default has occurred and is continuing, Lender shall have the right not to release any of such insurance proceeds to Borrower to reimburse the cost of Restoration unless and until any such event is cured before it becomes an Event of Default.

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(h) If the Mortgaged Property is sold at a foreclosure sale or Lender acquires title to the Mortgaged Property, Lender shall automatically succeed to all rights of Borrower in and to any insurance policies and unearned insurance premiums and in and to the proceeds resulting from any damage to the Mortgaged Property prior to such sale or acquisition.

(i) Notwithstanding paragraph 19(f) above, and subject to the next sentence, in the event of a loss for which the estimated aggregate cost of reconstruction and/or repair, as determined by Lender is less than Seventy Five Thousand and 00/100 Dollars (\$75,000.00), Lender agrees, provided that no Event of Default has occurred and is continuing, to waive its right to act as Borrower's attorney-in-fact and hold and apply the insurance proceeds (each as set forth in paragraph 19(f) above) upon the condition that (i) Borrower shall give prompt written notice thereof to Lender, (ii) any casualty loss draft is made payable to both Lender and Borrower (provided, that, upon certification by Borrower that it will comply with each of the requirements of this Section 19(i), Lender shall promptly endorse such loss draft over to Borrower), (iii) such reconstruction and/or repair shall be performed by Borrower promptly, in a good and workmanlike manner, and in compliance with all applicable laws, (iv) the Mortgaged Property

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shall be restored to the equivalent of its condition immediately prior to such event of loss or to such other condition as Lender may approve in writing, provided that upon completion of the restoration work the quality and class of the Mortgaged Property shall be substantially equal to the quality and class of the Mortgaged Property immediately prior to the casualty, (v) upon completion of the reconstruction and/or repair, Borrower shall certify in writing to Lender that such reconstruction and/or repair was performed in compliance with all applicable laws and the Mortgaged Property, as reconstructed and/or repaired, is in compliance with all applicable laws and (vi) Borrower shall provide Lender with evidence reasonably satisfactory to Lender of the payment of all costs of the reconstruction and/or repair and the satisfaction of all liens filed against the Mortgaged Property by reason of nonpayment or alleged nonpayment, in whole or in part, of the cost of any work, labor or services performed or any materials, supplies or equipment furnished in connection with the reconstruction and/or repair of the Mortgaged Property. Any funds held by Borrower which are not applied to reconstruction and/or repair of the Mortgaged Property shall be delivered to Lender and may be applied to the repayment of the Indebtedness. Notwithstanding the foregoing, upon the occurrence of an Event of Default, or the failure of any of the conditions, set forth in clauses (i) through (vi) hereof, Lender may revoke its waiver of its right to act as Borrower's attorney-in-fact and its rights to hold and apply the insurance proceeds.

20. CONDEMNATION.

(a) Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, or conveyance in lieu thereof, of all or any part of the Mortgaged Property, whether direct or indirect (a "Condemnation"). Borrower shall appear in and prosecute or defend any action or proceeding relating to any Condemnation unless otherwise directed by Lender in writing. Borrower authorizes and appoints Lender as attorney-in-fact for Borrower to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any Condemnation and to settle or compromise any claim in connection with any Condemnation. This power of attorney is coupled with an interest and therefore is irrevocable. However, nothing contained in this Section 20 shall require Lender to incur any expense or take any action. Borrower hereby transfers and assigns to Lender all right, title and interest of Borrower in and to any award or payment with respect to (i) any Condemnation, or any conveyance in lieu of Condemnation, and (ii) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation.

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(b) Lender may apply such awards or proceeds, after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to the restoration or repair of the Mortgaged Property or to the payment of the Indebtedness, with the balance, if any, to Borrower. Unless Lender otherwise agrees in writing, any application of any awards or proceeds to the Indebtedness shall not extend or postpone the due date of any monthly installments referred to in the Note, Section 7 of this Instrument or any Collateral Agreement, or change the amount of such installments. Borrower agrees to execute such further evidence of assignment of any awards or proceeds as Lender may require.

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(c) Notwithstanding paragraphs 20(a) and (b) above, and subject to the next sentence, in the event, and on the condition that, any award, proceeds or payment with respect to (i) any Condemnation, or any conveyance in lieu of Condemnation, and (ii) any damage to the Mortgaged Property caused by governmental action that does not result in a Condemnation, which award, proceeds or payment is less than Seventy Five Thousand and 00/100 Dollars (\$75,000.00), Lender shall hold such award, proceeds or payments (after reimbursement of any of Lender's costs and expenses incurred in connection with collection of such amounts) and shall release so much thereof to Borrower as is necessary from time to time) to pay for the cost of restoring and repairing the Mortgaged Property to the equivalent of its original condition or other condition approved by Lender (in writing, provided that upon completion of the restoration and repair work the quality and class of the Mortgaged Property shall be substantially equal to the quality and class of the Mortgaged Property immediately prior to the Condemnation, (the "Condemnation Restoration"), provided that (i) no Event of Default has occurred and is continuing, (ii) all such Condemnation Restoration shall be performed in full compliance with all applicable laws and the Mortgaged Property, when restored, shall be in full compliance with all applicable laws, and upon completion of the Condemnation Restoration, Borrower shall certify same to Lender in writing, (iii) if Borrower requires periodic payments pursuant to the terms of a written contract, Lender has approved any such contract and the work performed under such contract, and (iv) Lender shall have received from Borrower evidence reasonably satisfactory to Lender that any contractor, subcontractor or entity to receive payments for the Condemnation Restoration has provided a waiver of lien with respect to the amounts to be paid to such contractor, subcontractor or entity. Any such funds held by Lender not applied for Condemnation Restoration shall be applied to the repayment of the Indebtedness. Notwithstanding the foregoing, upon the occurrence of an Event of Default, or the failure of any of the conditions set forth in this paragraph 20(c), Lender may revoke its waiver of its right to apply such Condemnation awards or proceeds to the restoration or repair of the Mortgaged Property or to the payment of the Indebtedness. Notwithstanding the foregoing, if an event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default, has occurred and is continuing, Lender shall have the right not to release any of such condemnation proceeds to the Borrower to reimburse the cost of such Restoration unless and until any such event is cured before it becomes an Event of Default.

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21. TRANSFERS OF THE MORTGAGED PROPERTY OR INTERESTS IN BORROWER. The provisions of Article XXIV of the Master Agreement, which provide, inter alia, that certain Transfers of the Mortgaged Property (or any interests therein) or of certain direct or indirect interests in the Borrower or the Key Principal constitute an Event of Default hereunder, are incorporated herein by reference as if fully set forth herein.

22. EVENTS OF DEFAULT. The occurrence of any one or more of the following shall constitute an Event of Default under this Instrument:

(a) any failure by Borrower to pay any deposit pursuant to Section 7 when due, or to pay when due any installment of interest or principal pursuant to the Note, or (ii) any failure by

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Borrower to pay or deposit any other amount when due as required by the Note, this Instrument or any other Loan Document and the continuation of such failure after the applicable grace period set forth herein, the Note or such other Loan Document, as applicable, or if no such grace period is set forth, for five (5) days after the due date;

(b) any failure by Borrower to maintain the insurance coverage required by Section 19;

(c) any failure by Borrower to comply with the provisions of Section 33;

(d) fraud or material misrepresentation or material omission by Borrower, or any of its officers, directors, trustees, general partners or managers, Key Principal or any guarantor in connection with (A) the application for or creation of the Indebtedness, (B) any financial statement, rent roll, or other report or information provided to Lender during the term of the Indebtedness, or (C) any request for Lender's consent to any proposed action, including a request for disbursement of funds under any Collateral Agreement;

(e) any Event of Default under Section 21;

(f) the commencement of a forfeiture action or proceeding, whether civil or criminal, which, in Lender's reasonable judgment, could result in a forfeiture of the Mortgaged Property or otherwise materially impair the lien created by this Instrument or Lender's interest in the Mortgaged Property;

(g) any failure by Borrower to comply with the use and licensing requirements set forth in Sections 10 and 11 that has or may have, in the reasonable judgment of Fannie Mae, a material adverse effect on the Borrower and its interest in the Mortgaged Property or the income or the operation of the Mortgaged Property, including but not limited to Borrower's loss of its license or other legal authority to operate the Mortgaged Property as a Seniors Housing Facility;

(h) any failure by Borrower to correct, within the time deadlines set by any federal, state or local licensing agency, any deficiency that justifies any action by such agency with respect to the Mortgaged Property that may have a material adverse affect on the income and operation of the Mortgaged Property or Borrower's interest in the Mortgaged Property, including, without limitation, a termination, revocation or suspension of any applicable license, registration, permit, certificate, authorization or approval necessary for the operation of the Mortgaged Property as a Seniors Housing Facility.

(i) if, without the consent of Lender: (a) Borrower ceases to operate the Mortgaged Property as a Seniors Housing Facility; (b) Borrower ceases to provide such kitchens (except ovens), separate bathrooms, and areas for eating, sitting and sleeping in each unit as are provided in the units as of the date of this Instrument; (c) Borrower ceases to provide other facilities and services normally associated with congregate or assisted living units, including, without

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limitation, (i) central dining services providing one to three meals per day, (ii) periodic housekeeping, (iii) laundry services, and (iv) customary transportation services; (d) except as required by applicable law or regulation, Borrower provides or contracts for skilled nursing care for any of the units; (e) non-residential space leased or held available for lease to commercial tenants (i.e., space other than the units, dining areas, activity rooms, lobby, parlors, kitchen, mailroom, marketing/management offices) exceeds ten percent (10%) of the net rental area; or, (f) the Mortgaged Property is no longer classified as housing for older persons pursuant to the Fair Housing Amendments Act of 1988, as it may be amended from time to time hereafter;

(j) any failure by Borrower to perform any of its obligations under this Instrument (other than those specified in Sections 22(a) through (i)), as and when required, which continues for a period of 30 days after notice of such failure by Lender to Borrower, provided that if such default is capable of being cured and the curing thereof requires a longer period than 30 days and Borrower shall have commenced curing such default during said 30 day period and thereafter diligently continues to cure, Borrower shall have a further period of 60 days to cure, but no such notice or grace period shall apply in the case of any such failure which could, in Lender's judgment, absent immediate exercise by Lender of a right or remedy under this Instrument, result in harm to Lender, impairment of the Note or this Instrument or any other security given under any other Loan Document;

(k) any failure by Borrower to perform any of its obligations as and when required under any Loan Document other than this Instrument which continues beyond the applicable cure period, if any, specified in that Loan Document;

(l) any exercise by the holder of any other debt instrument secured by a mortgage, deed of trust or deed to secure debt on the Mortgaged Property of a right to declare all amounts due under that debt instrument immediately due and payable; and

(m) the occurrence of an "Event of Default" under the Master Agreement.

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23. REMEDIES CUMULATIVE. Each right and remedy provided in this Instrument is distinct from all other rights or remedies under this Instrument or any other Loan Document or afforded by applicable law, and each shall be cumulative and may be exercised concurrently, independently, or successively, in any order.

24. FORBEARANCE.

(a) Lender may (but shall not be obligated to) agree with Borrower, from time to time, and without giving notice to, or obtaining the consent of, or having any effect upon the obligations of, any guarantor or other third party obligor, to take any of the following actions: extend the time for payment of all or any part of the Indebtedness; reduce the payments due under this Instrument, the Note, or any other Loan Document; release anyone liable for the payment of any amounts under this Instrument, the Note, or any other Loan Document; accept a

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renewal of the Note; modify the terms and time of payment of the Indebtedness; join in any extension or subordination agreement; release any Mortgaged Property; take or release other or additional security; modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable under the Note; and otherwise modify this Instrument, the Note, or any other Loan Document.

(b) Any forbearance by Lender in exercising any right or remedy under the Note, this Instrument, or any other Loan Document or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any other right or remedy. The acceptance by Lender of payment of all or any part of the Indebtedness after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments on account of the Indebtedness or to exercise any remedies for any failure to make prompt payment. Enforcement by Lender of any security for the Indebtedness shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right available to Lender. Lender's receipt of any awards or proceeds under Sections 19 and 20 shall not operate to cure or waive any Event of Default.

25. LOAN CHARGES. If any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in any Loan Document, whether considered separately or together with other charges levied in connection with any other Loan Document, violates that law, and Borrower is entitled to the benefit of that law, that charge is hereby reduced to the extent necessary to eliminate that violation. The amounts, if any, previously paid to Lender in excess of the permitted amounts shall be applied by Lender to reduce the principal of the Indebtedness. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all Indebtedness which constitutes interest, as well as all other charges levied in connection with the Indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest so computed is uniform throughout the stated term of the Note. **00838493**

26. WAIVER OF STATUTE OF LIMITATIONS. Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this Instrument or to any action brought to enforce any Loan Document.

27. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interests in the Mortgaged Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Mortgaged Property shall be subjected to the remedies provided in this Instrument, the Note, any other Loan Document or applicable law. Lender shall have the right to determine the order in which any or all portions of the Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a security interest in the Mortgaged Property and who has actual or constructive notice of this Instrument waives any and all right to

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require the marshalling of assets or to require that any of the Mortgaged Property be sold in the inverse order of alienation or that any of the Mortgaged Property be sold in parcels or as an entirety in connection with the exercise of any of the remedies permitted by applicable law or provided in this Instrument.

28. FURTHER ASSURANCES. Borrower shall execute, acknowledge, and deliver, at its sole cost and expense, all further acts, deeds, conveyances, assignments, estoppel certificates, financing statements, transfers and assurances as Lender may require from time to time in order to better assure, grant, and convey to Lender the rights intended to be granted, now or in the future, to Lender under this Instrument and the Loan Documents.

29. ESTOPPEL CERTIFICATE. Within 10 days after a request from Lender, Borrower shall deliver to Lender a written statement, signed and acknowledged by Borrower, certifying to Lender or any person designated by Lender, as of the date of such statement, (i) that the Loan Documents are unmodified and in full force and effect (or, if there have been modifications, that the Loan Documents are in full force and effect as modified and setting forth such modifications); (ii) the unpaid principal balance of the Note; (iii) the date to which interest under the Note has been paid; (iv) that Borrower is not in default in paying the Indebtedness or in performing or observing any of the covenants or agreements contained in this Instrument or any of the other Loan Documents (or, if the Borrower is in default, describing such default in reasonable detail); (v) whether or not there are then existing any setoffs or defenses known to Borrower against the enforcement of any right or remedy of Lender under the Loan Documents; and (vi) any additional facts reasonably requested by Lender.

30. GOVERNING LAW; CONSENT TO JURISDICTION AND VENUE. The provisions of Section 23.06 of the Master Agreement (entitled "Choice of Law; Consent to Jurisdiction; Waiver of Jury Trial") are hereby incorporated into this Instrument by this reference to the fullest extent as if the text of such Section were set forth in its entirety herein and, additionally, those provisions relating to the waiver of jury trial set forth in Section 23.06 of the Master Agreement shall be deemed to supplement those provisions contained in Section 47 of this Instrument.

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31. NOTICE. The provisions of Section 23.08 of the Master Agreement (entitled "Notices") are hereby incorporated into this Instrument by this reference to the fullest extent as if the text of such Section were set forth in its entirety herein.

32. SALE OF NOTE; CHANGE IN SERVICER. The Note or a partial interest in the Note (together with this Instrument and the other Loan Documents) may be sold one or more times without prior notice to Borrower. A sale may result in a change of the Loan Servicer. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given notice of the change.

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33. **SINGLE PURPOSE BORROWER.** Until the Indebtedness is paid in full, Borrower shall comply with Section 13.09 of the Master Agreement.

34. **SUCCESSORS AND ASSIGNS BOUND.** This Instrument shall bind, and the rights granted by this Instrument shall inure to, the respective successors and assigns of Lender and Borrower. However, a Transfer not permitted by Section 21 shall be an Event of Default.

35. **JOINT AND SEVERAL LIABILITY.** If more than one person or entity signs this Instrument as Borrower, the obligations of such persons and entities shall be joint and several.

36. **RELATIONSHIP OF PARTIES; NO THIRD PARTY BENEFICIARY.**

(a) The relationship between Lender and Borrower shall be solely that of creditor and debtor, respectively, and nothing contained in this Instrument shall create any other relationship between Lender and Borrower.

(b) No creditor of any party to this Instrument and no other person shall be a third party beneficiary of this Instrument or any other Loan Document. Without limiting the generality of the preceding sentence, (1) any arrangement (a "**Servicing Arrangement**") between the Lender and any Loan Servicer for loss sharing or interim advancement of funds shall constitute a contractual obligation of such Loan Servicer that is independent of the obligation of Borrower for the payment of the Indebtedness, (2) Borrower shall not be a third party beneficiary of any Servicing Arrangement, and (3) no payment by the Loan Servicer under any Servicing Arrangement will reduce the amount of the Indebtedness.

37. **SEVERABILITY; AMENDMENTS.** The invalidity or unenforceability of any provision of this Instrument shall not affect the validity or enforceability of any other provision, and all other provisions shall remain in full force and effect. This Instrument contains the entire agreement among the parties as to the rights granted and the obligations assumed in this Instrument. This Instrument may not be amended or modified except by a writing signed by the party against whom enforcement is sought.

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38. **CONSTRUCTION.** The captions and headings of the sections of this Instrument are for convenience only and shall be disregarded in construing this Instrument. Any reference in this Instrument to an "Exhibit" or a "Section" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Instrument or to a Section of this Instrument. All Exhibits attached to or referred to in this Instrument are incorporated by reference into this Instrument. Any reference in this Instrument to a statute or regulation shall be construed as referring to that statute or regulation as amended from time to time. Use of the singular in this Agreement includes the plural and use of the plural includes the singular. As used in this Instrument, the term "including" means "including, but not limited to." In the event of a conflict between a term or a provision of the Master Agreement and a term or a provision of

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one or more of the other Loan Documents, the term or the provision of the Master Agreement shall control.

39. LOAN SERVICING. All actions regarding the servicing of the loan evidenced by the Note, including the collection of payments, the giving and receipt of notice, inspections of the Property, inspections of books and records, and the granting of consents and approvals, may be taken by the Loan Servicer unless Borrower receives notice to the contrary. If Borrower receives conflicting notices regarding the identity of the Loan Servicer or any other subject, any such notice from Lender shall govern.

40. DISCLOSURE OF INFORMATION. Lender may furnish information regarding Borrower or the Mortgaged Property to third parties with an existing or prospective interest in the servicing, enforcement, evaluation, performance, purchase or securitization of the Indebtedness, including trustees, master servicers, special servicers, rating agencies, and organizations maintaining databases on the underwriting and performance of mortgage loans. Borrower irrevocably waives any and all rights it may have under applicable law to prohibit such disclosure, including any right of privacy.

41. NO CHANGE IN FACTS OR CIRCUMSTANCES. All information in the application for the loan submitted to Lender (the "**Loan Application**") and in all financial statements, rent rolls, reports, certificates and other documents submitted in connection with the Loan Application are complete and accurate in all material respects. There has been no material adverse change in any fact or circumstance that would make any such information incomplete or inaccurate.

42. SUBROGATION. If, and to the extent that, the proceeds of the loan evidenced by the Note are used to pay, satisfy or discharge any obligation of Borrower for the payment of money that is secured by a pre-existing mortgage, deed of trust or other lien encumbering the Mortgaged Property (a "**Prior Lien**"), such loan proceeds shall be deemed to have been advanced by Lender at Borrower's request, and Lender shall automatically, and without further action on its part, be subrogated to the rights, including lien priority, of the owner or holder of the obligation secured by the Prior Lien, whether or not the Prior Lien is released.

43. ACCELERATION; REMEDIES. At any time during the existence of an Event of Default, Lender, at Lender's option, may declare all of the Indebtedness to be immediately due and payable without further demand, and may foreclose this Instrument by judicial proceeding and may invoke any other remedies permitted by Illinois law or provided in this Instrument or in any other Loan Document. The Indebtedness shall include, Lender shall be entitled to collect, and any decree which adjudicates the amount secured by this Instrument shall include, all costs and expenses incurred in pursuing such remedies, including attorneys' fees, costs of documentary evidence, abstracts and title reports, any of which may be estimated to reflect the costs and expenses to be incurred after the entry of such a decree. Lender may, upon an Event of Default, cause the removal of Borrower from any Mortgaged Property operations. Until such time as Lender has

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located a replacement licensed operator, Borrower or its related or affiliated entity acting as the licensed operator, shall continue to provide all required services to maintain the Mortgaged Property in full compliance with all licensing and regulatory requirements as a Seniors Housing Facility. Borrower acknowledges that its failure to perform this service shall constitute a form of waste of the Mortgaged Property, causing irreparable harm to Lender and the Mortgaged Property, and shall constitute sufficient cause for the appointment of a receiver.

44. RELEASE. Reference is hereby made to Article VII of the Master Agreement. Subject to the terms, conditions and limitations of such Article, Borrower is entitled to obtain a release of this Instrument. If the original Lender named in this Instrument, or any successor, assignee or transferee to the original Lender's interest in this Instrument, assigns or otherwise disposes of its interest in this Instrument and the Note, then upon such assignment or other disposition all liabilities and obligations to release the Mortgaged Property covered by this Instrument on the part of the original Lender, or such successor Lender, which accrue after such assignment or disposition shall cease and terminate and each successor Lender shall, without further agreement, be bound by Lender's obligation to release the Mortgaged Property when obligated to do so under the Master Agreement, but only during the period of such successor Lender's ownership of the interest in this Instrument and the Note, PROVIDED ALWAYS, and this Instrument is upon the express condition that, if Borrower pays to Lender the entire principal sum mentioned in the Note, the interest thereon and all other sums payable by Borrower to Lender as are secured by this Instrument, then this Instrument and the estate hereby granted shall be cancelled and surrendered.

45. WAIVER OF HOMESTEAD AND REDEMPTION. Borrower releases and waives all rights under the homestead and exemption laws of the State of Illinois. Borrower acknowledges that the Mortgaged Property does not include "agricultural real estate" or "residential real estate" as those terms are defined in 735 ILCS 5/15-1201 and 5/15-1219. Pursuant to 735 ILCS 5/15-1601(b), Borrower waives any and all rights of redemption from sale under any order of foreclosure of this Instrument, or other rights of redemption, which may run to Borrower or any other Owner of Redemption, as that term is defined in 735 ILCS 5/15-1212. Borrower waives all rights of reinstatement under 735 ILCS 5/15-1602 to the fullest extent permitted by Illinois law.

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46. MAXIMUM AMOUNT OF INDEBTEDNESS; FUTURE ADVANCES. This Instrument is given to secure a "Revolving Credit" Loan as defined in 815 ILCS 205/4.1 of the Illinois Compiled Statutes 1992 and secures not only the Indebtedness from the Borrower to the Lender existing on the date hereof, but all Future Advances made by Lender to Borrower pursuant to the Master Agreement, whether such advances are obligatory or are to be made at the option of the Lender, or otherwise, as are made within twenty years from the date of this Instrument, to the same extent as if such Future Advances were made on the date of the execution of this Instrument, although there may be no advance made at the time of the execution of this Instrument, and although there may be no Indebtedness outstanding at the time any advance is made. The total amount of the Indebtedness secured by this Instrument may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed three hundred percent

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(300%) of the original principal amount of the Note set forth on the first page of this Instrument, plus accrued interest and amounts disbursed by Lender under Section 12 or any other provision of this Instrument that treats a disbursement by Lender as being made under Section 12. Borrower further covenants and agrees to repay all such Future Advances with interest, and that the covenants contained in this Instrument will apply to such Future Advances as well.

47. WAIVER OF TRIAL BY JURY. BORROWER AND LENDER EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS BORROWER AND LENDER THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

48. COLLATERALIZATION/ADDITIONAL SECURITY. In addition to the Mortgaged Property described on Exhibit A attached hereto, the Borrowers also own or will own additional Seniors Housing Facilities securing the loans evidenced by the Note pursuant to the terms of the Master Agreement. Such Seniors Housing Facilities securing the loans evidenced by the Note from time to time, together with the Mortgaged Property, are referred to herein collectively as the “**Borrowers’ Projects.**” As a condition of the loan to the Borrowers evidenced by the Note, the Note is also being secured by the other mortgages, deeds to secure debt and/or deeds of trust delivered to Lender by Borrowers with respect to the Master Agreement executed and delivered by such Borrowers to Lender, including any “**Security Instrument**” on any additional mortgaged property added to the Collateral Pool (as defined in the Master Agreement) after the date hereof at the time of the substitution of another mortgaged property for a Mortgaged Property pursuant to the terms of the Master Agreement (collectively, the “**Security Instruments**”). Each of the other Security Instruments is hereinafter referred to as an “**Other Security Instrument.**” The Other Security Instruments existing as of the date of this Instrument are identified on Schedule 1 attached hereto.

ATTACHED EXHIBITS. The following Exhibits are attached to this Instrument:

<input checked="" type="checkbox"/>	Exhibit A	Description of the Land (required).
<input type="checkbox"/>	Exhibit B	Modifications to Instrument

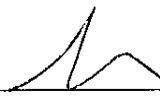
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IN WITNESS WHEREOF, Borrower has signed and delivered this Instrument or has caused this Instrument to be signed and delivered by its duly authorized representative.

BORROWER:

NILES LIFESTYLE LIMITED PARTNERSHIP, an
Illinois limited partnership

By: SENIOR LIFESTYLE CORPORATION, its
general partner

By:  **SUSAN SACK**
Name: _____
Title: **VICE PRESIDENT**

Borrower EIN: 52-1531675

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STATE OF NEW YORK)

ss.:

COUNTY OF NEW YORK)

On the 13th day of October in the year 2000 before me, the undersigned, a notary public in and for said state, personally appeared Susan Sack personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity as Vice President of Senior Lifestyle Corporation, the general partner of Niles Lifestyle Limited Partnership, and that he/she signed and delivered said instrument as his/her own free and voluntary act and as the free and voluntary act of said general partner for the uses and purposes therein set forth, by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

JENNIFER A. WESTCOTT
Notary Public, State of New York
No. 01WE5071617
Qualified in Queens County
Commission Expires 01/21/99
01

Jennifer A Westcott (Seal)
Notary Public

My Commission Expires: _____

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LEGAL DESCRIPTION:

EXHIBIT "A"

PARCEL A:

THE WEST 6 RODS OF THE NORTH 1/4 OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 15, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL B:

THE EAST 8 RODS OF THE WEST 14 RODS OF THE NORTH 1/4 OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 15, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL C:

THE EAST 150.0 FEET OF THE WEST 381.0 FEET OF THE NORTH 238.0 FEET OF THE NORTH 1/4 OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 15, ALSO THE EAST 110.0 FEET OF THE WEST 341.0 FEET (EXCEPT THE NORTH 238.0 FEET THEREOF) OF THE NORTH 1/4 OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 15, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL D:

THE WEST 3/4 OF THE NORTH 1/4 (EXCEPT THE WEST 381.0 FEET OF THE NORTH 238.0 FEET, AND EXCEPT THE WEST 341.0 FEET LYING SOUTH OF THE NORTH 238.0 FEET THEREOF, ALSO EXCEPT THE EAST 66 FEET THEREOF) OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 15, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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SCHEDULE 1

1. Balmoral (2690 Tampa Road, Palm Harbor, Florida): A certain Multifamily Mortgage, Assignment of Rents and Security Agreement, in the principal sum of \$163,000,000.00 dated as of October 16, 2000, recorded concurrently herewith in the Public Records of the County of Pinellas, Florida.
2. Evergreen (230 W Galbraith Road, Cincinnati, Ohio): A certain Open End Multifamily Mortgage, Assignment of Rents and Security Agreement, in the principal sum of \$163,000,000.00 dated as of October 16, 2000, recorded concurrently herewith in the Recorder's Office of the County of Hamilton, Ohio.
3. Heritage Palmeras (10101 W. Palmeras Drive, Sun City, Arizona): A certain Multifamily Deed of Trust, Assignment of Rents and Security Agreement, in the principal sum of \$163,000,000.00 dated as of October 16, 2000, recorded concurrently herewith in the Office of the County Recorder of the County of Maricopa, Arizona.
4. Newport (4735 NW Seventh Court, Boynton Beach, Florida): A certain Multifamily Mortgage, Assignment of Rents and Security Agreement, in the principal sum of \$163,000,000.00 dated as of October 16, 2000, recorded concurrently herewith in the Public Records of the County of Palm Beach, Florida.
5. Prosperity Oaks (11381 Prosperity Farms Road, Palm Beach Gardens, Florida): A certain Multifamily Mortgage, Assignment of Rents and Security Agreement, in the principal sum of \$163,000,000.00 dated as of October 16, 2000, recorded concurrently herewith in the Public Records of the County of Palm Beach, Florida.

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