



Prepared by ~~and~~  
~~when recorded return to:~~

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JK CC200752 DEC

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**SENIOR LEASEHOLD MORTGAGE,  
ASSIGNMENT OF LEASES AND RENTS,  
SECURITY AGREEMENT AND FINANCING STATEMENT**

dated as of April 20, 2001

by

**VENCOR OPERATING, INC. AND VENCOR, INC.,**  
each a Delaware corporation,  
the Mortgagor,

to

**MORGAN GUARANTY TRUST COMPANY OF NEW YORK,**  
as Collateral Agent,  
the Mortgagee

52

Property:

Facility No. 637  
Vencor Hospital - Chicago North  
2544 West Montrose Avenue  
Chicago  
County of Cook  
State of Illinois  
P.I.N: 15-05-211-006;  
15-05-211-007;  
15-05-211-008;  
15-05-211-017;  
15-05-212-001;  
15-05-212-002;  
15-05-212-003;  
15-05-212-004;  
15-05-212-008  
Master Lease No. 1

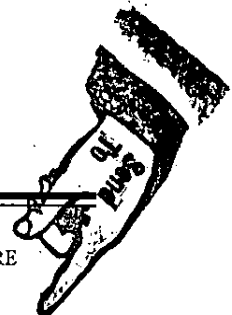
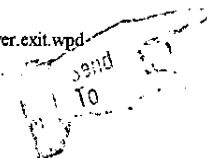
Facility No. 690  
Vencor Hospital - Northlake  
365 East North Avenue  
Northlake  
County of Cook  
State of Illinois  
P.I.N: 13-13-231-030-0000;  
13-13-231-031-0000;  
13-13-231-032-0000;  
13-13-232-027-0000;  
13-13-232-028-0000;  
13-13-232-029-0000;  
13-13-232-032-0000;  
13-13-231-033-0000;  
13-13-401-005-0000;  
13-13-401-406-0000;  
13-13-401-010-0000;  
13-13-401-012-0000;  
13-13-401-041-000  
Master Lease No. 1

Facility No. 671  
Vencor - Lakeshore  
6130 North Sheridan Road  
Chicago  
County of Cook  
State of Illinois  
P.I.N: 14-05-210-004-0000;  
14-05-210-005-0000;  
14-05-210-006-0000;  
14-05-210-008-0000;  
14-05-210-013-0000;  
14-05-210-016-0000;  
14-05-210-022-0000  
Master Lease No. 4

THIS INSTRUMENT CONTAINS AFTER-ACQUIRED PROPERTY PROVISIONS AND SECURES OBLIGATIONS CONTAINING PROVISIONS FOR CHANGES IN INTEREST RATES. THIS INSTRUMENT ALSO SECURES FUTURE ADVANCES.

RETURN TO:

Hope Haerell  
FIRST AMERICAN Title  
633 Third Ave.  
New York, NY 10017



UNOFFICIAL COPY

Property of Cook County Clerk's Office

THIS SENIOR LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT (this "**Mortgage**") dated as of April 20, 2001 by VENCOR OPERATING, INC., a Delaware corporation ("**Vencor Operating**"), and VENCOR, INC., a Delaware corporation ("**Vencor**" together with Vencor Operating, the "**Mortgagor**"), each having an address at 680 South Fourth Avenue, Louisville, Kentucky 40202, to MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Senior Collateral Agent for the Secured Parties (hereinafter defined), having an address at 500 Stanton Christiana Road, New Castle County, Newark, Delaware 19713-2107 (together with its successors, the "**Mortgagee**").

WITNESSETH:<sup>1</sup>

## RECITALS

- A. *Credit Agreement.* Reference is hereby made to that certain \$120,000,000 Credit Agreement dated as of the date hereof (as amended from time to time, the "**Credit Agreement**"), among Vencor Operating, Vencor, the Lenders party thereto (the "**Lenders**"), the Swingline Bank party thereto (the "**Swingline Bank**"), the LC Issuing Banks party thereto (the "**LC Issuing Banks**"); together with the Lenders, the Swingline Bank and the Agents referred to below, the "**Lender Parties**"), the Mortgagee, as Administrative Agent and Collateral Agent, and General Electric Capital Corporation, as Documentation Agent and Collateral Monitoring Agent (together with the Administrative Agent, the Collateral Agent and the Documentation Agent, the "**Agents**"), pursuant to which working capital will be extended to Vencor Operating and certain of its Subsidiaries on a revolving basis up to a maximum principal amount of \$120,000,000.
- B. *Vencor Guaranty.* Reference is hereby made to that certain Senior Vencor Guaranty Agreement dated as of the date hereof (as amended from time to time, the "**Vencor Guaranty Agreement**"), by Vencor in favor of the Collateral Agent.
- C. *Secured Obligations.* The Lien of this Mortgage is being granted to secure payment, performance and observance of the Secured Obligations, whether now or hereafter owed or owing.
- D. *Principal Amount.* This Mortgage secures a maximum principal amount of \$120,000,000 plus accrued unpaid interest and costs.

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<sup>1</sup>Capitalized terms are defined in, or by reference in, Section 1.01.

E. *Name Change.* Immediately following the execution and delivery of this Mortgage, Vencor will change its name to Kindred Healthcare, Inc. and Vencor Operating will change its name to Kindred Healthcare Operating, Inc.

## GRANTING CLAUSES

**NOW, THEREFORE**, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, for the purpose of securing the due and punctual payment, performance and observance of the Secured Obligations and intending to be bound hereby, the Mortgagor (a) does hereby GRANT, BARGAIN, SELL, CONVEY, MORTGAGE, ASSIGN, TRANSFER and WARRANT to the Mortgagee and its successors as Collateral Agent under the Collateral Documents, with POWER OF SALE, and right of entry as hereinafter provided, all of the property and rights described in the following Granting Clauses to the extent such property and rights constitute real property (all of which property and rights are collectively called the "**Real Property Collateral**"), and (b) does hereby GRANT AND WARRANT to the Mortgagee and its successors as Collateral Agent under the Collateral Documents, a continuing security interest in and to all of the property and rights described in the following Granting Clauses to the extent covered by the Local UCC (hereinafter called the "**Collateral**"); together with the Real Property Collateral, the "**Mortgaged Property**"), to wit:

## GRANTING CLAUSE I.

*Leasehold Estate.* All estate, right, title and interest of the Mortgagor in, to, under or derived from the lease or leases described in Exhibit A affecting the parcel or parcels of land located in the City or County and State or Commonwealth identified on the cover hereof, and as more particularly described in Exhibit A (the "**Land**") and certain other parcels described in the aforesaid lease or leases, including all amendments, supplements, consolidations, substitutions, extensions, renewals and other modifications of such lease or leases now or hereafter entered into in accordance with the provisions thereof or otherwise (including all "Separate Leases," "New Leases," "Section 40.18 Leases," and "New Master Leases" (as defined in the lease or leases described in Exhibit A) derived from the lease or leases described in Exhibit A (collectively, the "**Master Lease**")); together with all other, further, additional or greater estate, right, title or interest of the Mortgagor in, to, under or derived from the Land and the Improvements now or hereafter located thereon which may at any time be acquired by the Mortgagor by the terms of the Master Lease, by reason of the exercise of any option thereunder or otherwise, including the right of the Mortgagor to possession under Section 365 of

the Bankruptcy Code in the event of the rejection of the Master Lease by the landlord thereunder or its trustee pursuant to said Section; and together with all rights and benefits of whatsoever nature derived or to be derived by the Mortgagor under the Master Lease, including (subject to the terms hereof) the rights to exercise options, to give consents, to modify, extend or terminate the Master Lease, to surrender the Master Lease, to elect to treat the Master Lease as rejected or to remain in possession under Section 365(h) of the Bankruptcy Code, and to receive all deposits and other amounts payable to the Mortgagor under the Master Lease (the foregoing being collectively referred to as the "**Leasehold Estate**").

#### GRANTING CLAUSE II.

*Improvements.* All estate, right, title and interest of the Mortgagor under the Master Lease in, to, under or derived from all buildings, structures, facilities and other improvements of every kind and description now or hereafter located on the Land, including all parking areas, roads, driveways, walks, fences, walls and berms; all estate, right, title and interest of the Mortgagor in, to, under or derived from all items of fixtures, equipment and personal property of every kind and description, in each case now or hereafter located on the Land or affixed (actually or constructively) to the Improvements which by the nature of their location thereon or affixation thereto, or otherwise, are real property under applicable law or an interest in them arises under real estate law including: all drainage and lighting facilities and other site improvements; all water, sanitary and storm sewer, drainage, electricity, steam, gas, telephone, telecommunications and other utility equipment and facilities; all plumbing, lighting, heating, ventilating, air-conditioning, refrigerating, incinerating, compacting, fire protection and sprinkler, surveillance and security, vacuum cleaning, public address and communications equipment and systems; all pipes, elevators, escalators, motors, electrical, computer and other wiring, machinery, fittings and racking and shelving; all walls, screens and partitions; and including all materials intended for the construction, reconstruction, repair, replacement, alteration, addition or improvement of or to such buildings, equipment, fixtures, structures and improvements, all of which materials shall be deemed to be part of the Mortgaged Property immediately upon delivery thereof on the Land and to be part of the Improvements immediately upon their incorporation therein (the foregoing being collectively called the "**Improvements**").

*Personal Property and Equipment.* All estate, right, title and interest of the Mortgagor in, to, under or derived from all component parts of the Improvements, fixtures, chattels and articles of personal property owned by the Mortgagor or in which the Mortgagor has or shall acquire an interest, wherever situated, and now or hereafter located on, attached to or contained in the Land and the Improvements, whether or not attached thereto and which are not real property under applicable

law, including all partitions, screens, awnings, shades, blinds, curtains, draperies, carpets, rugs, furniture and furnishings, heating, lighting, plumbing, ventilating, air conditioning, refrigerating, gas, steam, electrical, incinerating and compacting plants, systems, fixtures and equipment, elevators, stoves, ranges, vacuum and other cleaning systems, call systems, switchboards, sprinkler systems and other fire prevention, alarm and extinguishing apparatus and materials, motors, machinery, pipes, conduits, dynamos, engines, compressors, generators, boilers, stokers, furnaces, pumps, trunks, ducts, appliances, equipment, utensils, tools, implements, fittings and fixtures (all of the foregoing being hereinafter collectively called the "Equipment"; the Land with the Improvements thereon and the Equipment therein being collectively called the "Property"). If the Lien of this Mortgage is subject to a security interest covering any property described in this GRANTING CLAUSE II, then all of the right, title and interest of the Mortgagor in and to any and all such property is hereby assigned to the Mortgagee, together with the benefits of all deposits and payments now or hereafter made thereon by or on behalf of the Mortgagor, and subject to all of the liens of, and terms and conditions applicable to, such security interest.

#### GRANTING CLAUSE III.

*Appurtenant Rights.* All estate, right, title and interest of the Mortgagor in, to, under or derived from all tenements, hereditaments and appurtenances now or hereafter relating to the Property; the streets, roads, sidewalks and alleys abutting the Land; all strips and gores within or adjoining the Land; all land in the bed of any body of water adjacent to the Land; all land adjoining the Land created by artificial means or by accretion; all air space and rights to use air space above the Land; all development or similar rights now or hereafter appurtenant to the Land; all rights of ingress and egress now or hereafter appertaining to the Property; all easements and rights of way now or hereafter appertaining to the Property; and all royalties and other rights now or hereafter appertaining to the use and enjoyment of the Property, including alley, party walls, support, drainage, crop, timber, agricultural, horticultural, oil, gas and other mineral, water stock, riparian and other water rights.

#### GRANTING CLAUSE IV.

*Agreements.* All estate, right, title and interest of the Mortgagor in, to, under or derived from all Insurance Policies (including all unearned premiums and dividends thereunder), all guarantees and warranties relating to the Property, all supply and service contracts for water, sanitary and storm sewer, drainage, electricity, steam, gas, telephone and other utilities now or hereafter relating to the Property and all other contract rights, now or hereafter relating to the use or operation of the Property.

## GRANTING CLAUSE V.

*Leases.* All estate, right, title and interest of the Mortgagor in, to, under or derived from all Leases now or hereafter in effect, whether or not of record, for the use or occupancy of all or any part of the Property.

## GRANTING CLAUSE VI.

*Rents, Issues and Profits.* All estate, right, title and interest of the Mortgagor in, to, under or derived from all rents, royalties, issues and profits, including during any period of redemption, now or hereafter accruing with respect to the Property, including all rents and other sums now or hereafter, including during any period of redemption, payable pursuant to the Leases; all other sums now or hereafter, including during any period of redemption, payable with respect to the use, occupancy, management, operation or control of the Property; and all other claims, rights and remedies now or hereafter, including during any period of redemption, belonging or accruing with respect to the Property, including deficiency rents and liquidated damages following default or cancellation (the foregoing rents and other sums described in this Granting Clause being collectively called the "Rents").

## GRANTING CLAUSE VII.

*Proceeds.* All estate, right, title and interest of the Mortgagor in, to, under or derived from all proceeds of any Transfer, financing, refinancing or conversion into cash or liquidated claims, whether voluntary or involuntary, of any of the Mortgaged Property, including all Casualty Proceeds and title insurance proceeds under any title insurance policy now or hereafter held by the Mortgagor, and all rights, dividends and other claims of any kind whatsoever (including damage, secured, unsecured, priority and bankruptcy claims) now or hereafter relating to any of the Mortgaged Property, all of which the Mortgagor hereby irrevocably directs be paid to the Mortgagee to the extent provided herein, and in each of the Credit Agreement and the Security Agreement, to be held, applied and disbursed as provided in the Credit Agreement and the Security Agreement.

## GRANTING CLAUSE VIII.

*Permits.* To the extent permitted by Applicable Laws, all estate, right, title and interest of the Mortgagor in, to, under or derived from all licenses, authorizations, certificates, variances, concessions, grants, franchises, consents, approvals and other permits now or hereafter appertaining to the Property (the foregoing being collectively the "Permits").

## GRANTING CLAUSE IX.

*Additional Property.* All greater, additional or other estate, right, title and interest of the Mortgagor in, to, under or derived from the Mortgaged Property hereafter acquired by the Mortgagor, including all right, title and interest of the Mortgagor in, to, under or derived from all extensions, improvements, betterments, renewals, substitutions and replacements of, and additions and appurtenances to, any of the Mortgaged Property hereafter acquired by or released to the Mortgagor or constructed or located on, or affixed to, the Property, in each case, immediately upon such acquisition, release, construction, location or affixation; all estate, right, title and interest of the Mortgagor in, to, under or derived from any other property and rights which are, by the provisions of the Financing Documents, required to be subjected to the Lien hereof; all estate, right, title and interest of the Mortgagor in, to, under or derived from any other property and rights which are necessary to maintain the Property and the Mortgagor's business or operations conducted therein as a going concern, in each case, to the fullest extent permitted by law, without any further conveyance, mortgage, assignment or other act by the Mortgagor; and all estate, right, title and interest of the Mortgagor in, to, under or derived from all other property and rights which are by any instrument or otherwise subjected to the Lien hereof by the Mortgagor or anyone acting on its behalf.

TO HAVE AND TO HOLD the Mortgaged Property, together with all estate, right, title and interest of the Mortgagor and anyone claiming by, through or under the Mortgagor in, to, under or derived from the Mortgaged Property and all rights and appurtenances relating thereto, to the Mortgagee, forever.

Notwithstanding the foregoing, the following property is excluded from the Mortgaged Property: (i) motor vehicles, (ii) deposit accounts (other than the Collateral Accounts and the Concentration Accounts (as defined in the Security Agreement, respectively)), (iii) Instruments (as defined in the Security Agreement) retained for collection pursuant to Section 4(d) of the Security Agreement, and (iv) any Equity Interests (as defined in the Security Agreement), general intangibles or other rights arising under or subject to any contracts, instruments, licenses or other documents if, but only to the extent that, a lien thereon or the grant of a security interest therein would constitute a material violation of a valid and enforceable restriction in favor of a third party, unless and until any required consents have been obtained. The Mortgagor shall use all reasonable efforts to obtain any such required consent that is reasonably obtainable; *provided* that the Mortgagor shall not be obligated to obtain any such consent with respect to any Retained Collection Rights (as defined in the Security Agreement) or Third Party Lease (as defined in the Credit Agreement).



PROVIDED ALWAYS that this Mortgage is upon the express condition that the Mortgaged Property shall be released from the Lien of this Mortgage in full or in part in the manner and at the time provided in Section 7.02.

THE MORTGAGOR ADDITIONALLY COVENANTS AND AGREES WITH THE MORTGAGEE AS FOLLOWS:

## ARTICLE 1

### DEFINITIONS AND INTERPRETATION

SECTION 1.01. *Definitions.* (a) Capitalized terms used in this Mortgage, but not otherwise defined herein, are defined in, or are defined by reference to, the Credit Agreement and have the same meanings herein as therein.

(b) In addition, as used herein, the following terms have the following meanings:

“**Agents**” is defined in Recital A.

“**Bankruptcy Code**” means the Bankruptcy Code of 1978, as amended.

“**Casualty Event**” means any damage to, or destruction of, any real or personal property or improvements.

“**Casualty Proceeds**” means (i) with respect to any Condemnation Event, all awards or payments received by the Mortgagor by reason of such Condemnation Event, including all amounts received with respect to any transfer in lieu or anticipation of such Condemnation Event or in settlement of any proceeding relating to such Condemnation Event and (ii) with respect to any Casualty Event, all insurance proceeds or payments (other than payments with respect to business interruption insurance) which the Mortgagor receives under any insurance policy by reason of such Casualty Event.

“**Collateral Agent**” means Morgan Guaranty Trust Company of New York, in its capacity as Collateral Agent for the holders of the Secured Obligations under the Financing Documents, and its successors in such capacity.

“**Collateral Documents**” is defined in the Security Agreement.

“**Collateral Proceeds Account**” is defined in the Security Agreement.

**“Condemnation Event”** means any condemnation or other taking or temporary or permanent requisition of any property, any interest therein or right appurtenant thereto, or any change of grade affecting any property, as the result of the exercise of any right of condemnation or eminent domain. A transfer to a governmental authority in lieu or anticipation of condemnation shall be deemed to be a Condemnation Event.

**“Contingent Secured Obligation”** means, at any time, any Secured Obligation (or portion thereof) that is contingent in nature at such time, including (without limiting the generality of the foregoing):

(i) any obligation to reimburse a bank for drawings not yet made under a letter of credit issued by such bank, or any Guarantee of any such obligation;

(ii) any obligation to provide collateral to or for the benefit of a bank to secure reimbursement obligations arising from drawings not yet made under a letter of credit issued by such bank, or any Guarantee of any such obligation; and

(iii) any other Secured Obligation which is contingent in nature at the time of determination.

**“Credit Agreement”** is defined in the Recitals.

**“Default”** is defined in the Credit Agreement.

**“Enforcement Notice”** is defined in the Security Agreement.

**“Financial Officer”** is defined in the Credit Agreement.

**“Financing Document”** is defined in the Credit Agreement.

**“Guarantee”** is defined in the Credit Agreement.

**“Guarantor”** is defined in the Credit Agreement.

**“Impositions”** means all real estate taxes, transfer taxes and sales and use taxes, assessments (including all assessments for public improvements or benefits, whether or not commenced or completed prior to the date hereof), and water, sewer or other rents, rates and charges, excises, levies, license fees, permit fees, inspection fees and other authorization fees and other charges, in each case whether general or special, ordinary or extraordinary, foreseen or unforeseen, of every

character (including all interest and penalties thereon), which at any time may be assessed, levied, confirmed or imposed on or in respect of, or be a Lien upon, (i) the Property, any other Mortgaged Property or any interest therein, (ii) any occupancy, use or possession of, or activity conducted on, the Property or (iii) the Rents, but excluding income, excess profits, franchise, capital stock, estate, inheritance, succession, gift or similar taxes of the Mortgagor or the Mortgagee or any Lender, except to the extent that such taxes of the Mortgagor or the Mortgagee or any Lender are imposed in whole or in part in lieu of, or as a substitute for, any taxes which are or would otherwise be Impositions.

**"Improvements"** is defined in Granting Clause II.

**"Insurance Policies"** means the insurance policies and coverages required to be maintained by the Mortgagor with respect to the Property pursuant to the Credit Agreement.

**"Insurance Premiums"** means all premiums payable under the Insurance Policies.

**"Insurance Requirements"** means all provisions of the Insurance Policies, all requirements of the issuer of any of the Insurance Policies and all orders, rules, regulations and any other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) binding upon the Mortgagor and applicable to the Property, any adjoining vaults, sidewalks, parking areas or driveways, or any use or condition thereof.

**"Intercreditor Agreement"** means a Subordination and Intercreditor Agreement among Vencor, Vencor Operating, the Mortgagee and the collateral agent under the Second Priority Credit Agreement.

**"Land"** is defined in Granting Clause I.

**"Lease"** means each lease, sublease, tenancy, subtenancy, license, franchise, concession or other occupancy agreement relating to the Property other than the Master Lease, together with any guarantee of the obligations of the tenant or occupant thereunder or any right to possession under any federal or state bankruptcy code in the event of the rejection of any sublease by the sublandlord thereof or its trustee pursuant to said code.

**"Leasehold Estate"** is defined in Granting Clause I.

**"Legal Requirements"** means all provisions of all applicable laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules,

regulations, directions and requirements of, permits from and agreements with, all governmental authorities, now or hereafter applicable to the Property, any adjoining vaults, sidewalks, streets or ways, or any use or condition thereof.

“**Lien**” is defined in the Credit Agreement.

“**Loans**” is defined in the Credit Agreement.

“**Local UCC**” means the Uniform Commercial Code as in effect from time to time in the State in which the Property is located.

“**Master Lease**” is defined in Granting Clause I.

“**Mortgage**” is defined in the Preamble.

“**Mortgaged Property**” is defined in the Granting Clauses.

“**Mortgagee**” is defined in the Preamble.

“**Mortgagor**” is defined in the Preamble.

“**National Flood Insurance Program**” means the National Flood Insurance Act of 1968 and the Flood Disaster Protection Act of 1973 (42 U.S.C. Sections 4001 et seq.).

“**Net Cash Proceeds**” is defined in the Credit Agreement.

“**Net Casualty Proceeds**” means any Casualty Proceeds less unreimbursed expenses or losses related to the Casualty Event or Condemnation Event, including any payment with respect to, taxes actually paid or to become payable by the Mortgagor (as reasonably estimated by a Financial Officer) in respect of such Casualty Event or Condemnation Event.

“**Non-Contingent Secured Obligation**” means at any time any Secured Obligation (or portion thereof) that is not a Contingent Secured Obligation at such time.

“**Permitted Disposition**” means any (i) Transfer in connection with a Condemnation Event, (ii) easement or similar encumbrance with respect to the Property granted by the Mortgagor to any adjoining landowner or any railroad, telephone, cable television, water, sewer, utility or similar company, municipality or other governmental subdivision in the ordinary course of business, (iii) other

Transfer permitted under Section 7.03 of the Credit Agreement, or (iv) assignment or sublease of the Master Lease to any affiliate wholly-owned by Vencor.

**"Permitted Encumbrances"** is defined in the Credit Agreement.

**"Permitted Liens"** means (i) the Security Interests and (ii) any Liens permitted under Section 7.02 of the Credit Agreement.

**"Post-Default Rate"** means, with respect to any amount payable by the Mortgagor hereunder which is not paid when due, a rate per annum equal to the sum of 2.5% *plus* the rate applicable to the Base Rate Loans (as defined in the Credit Agreement) from time to time.

**"Post-Petition Interest"** means any interest which accrues after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency or reorganization of Vencor or Vencor Operating, whether or not such interest is allowed or allowable as a claim in any such proceeding.

**"Property"** is defined in Granting Clause II.

**"Receiver"** is defined in Section 5.02(a)(iv).

**"Reduction Event Account"** is defined in the Security Agreement.

**"Rents"** is defined in Granting Clause VI.

**"Restoration"** means the restoration, repair, replacement or rebuilding of the Property after a Casualty Event or Condemnation Event, and **"Restore"** means to restore, repair, replace or rebuild the Property after a Casualty Event or Condemnation Event, in each case to a value and condition substantially the same as the value and condition immediately prior to the Casualty Event or Condemnation Event.

**"Second Priority Collateral Documents"** is defined in the Security Agreement.

**"Second Priority Credit Agreement"** is defined in the Security Agreement.

**"Second Priority Financing Documents"** is defined in the Security Agreement.

**“Second Priority Mortgage”** means the mortgage or deed to secure debt encumbering the Property dated as of the date hereof among Vencor Operating, Vencor and Morgan Guaranty Trust Company of New York, as mortgagee, securing the obligations of the Mortgagor under the Second Priority Financing Documents.

**“Secured Obligations”** means:

(a) with respect to Vencor Operating, (i) all principal of all Loans, Swingline Loans and LC Reimbursement Obligations outstanding from time to time under the Credit Agreement, all interest (including Post-Petition Interest) on such Loans, Swingline Loans and LC Reimbursement Obligations, and all other amounts now or hereafter payable by Vencor Operating pursuant to any Financing Document, and (ii) any other obligations secured by the Security Agreement;

(b) with respect to Vencor, all obligations of Vencor under the Vencor Guaranty Agreement and all amounts now or hereafter payable by Vencor under any other Financing Document; and

(c) with respect to any Subsidiary Guarantor, (i) all obligations of such Subsidiary Guarantor under its Subsidiary Guaranty Agreement and (ii) all other obligations of such Subsidiary Guarantor under or in respect of the Financing Documents.

**“Secured Parties”** means the holders from time to time of the Secured Obligations and the Mortgagee.

**“Security Agreement”** means the Senior Security Agreement dated as of the date hereof among Vencor Operating, the Guarantors party thereto and Morgan Guaranty Trust Company of New York, as Collateral Agent.

**“Security Interests”** is defined in the Security Agreement.

**“Subsidiary Guarantor”** is defined in the Credit Agreement.

**“Subsidiary Guaranty Agreement”** is defined in the Credit Agreement.

**“Third Party Lease”** is defined in the Credit Agreement.

**“Transfer”** means, when used as a noun, any sale, conveyance, assignment, lease, sublease of all or any substantial portion of the Property, or other transfer and, when used as a verb, to sell, convey, assign, lease, so sublease, or otherwise transfer, in each case (i) whether voluntary or involuntary, (ii) whether direct or

indirect and (iii) including any agreement providing for a Transfer or granting any right or option providing for a Transfer.

“UCC” is defined in the Security Agreement.

“Vencor Guaranty Agreement” is defined in the Recitals.

(c) In this Mortgage, unless otherwise specified, references to this Mortgage or to Leases, the Master Lease, the Credit Agreement, Notes, Swingline Note, Letters of Credit, the Security Agreement, Financing Documents and Collateral Documents include all amendments, supplements, consolidations, replacements, restatements, extensions, renewals and other modifications and any refinancings and refundings thereof, in whole or in part.

SECTION 1.02. *Interpretation.* In this Mortgage, unless otherwise specified, (i) singular words include the plural and plural words include the singular; (ii) words which include a number of constituent parts, things or elements, including the terms Leases, Improvements, Land, Secured Obligations, Property and Mortgaged Property, shall be construed as referring separately to each constituent part, thing or element thereof, as well as to all of such constituent parts, things or elements as a whole; (iii) words importing any gender include the other gender; (iv) references to any Person include such Person’s successors and assigns and in the case of an individual, the word “successors” includes such Person’s heirs, devisees, legatees, executors, administrators and personal representatives; (v) references to any statute or other law include all applicable rules, regulations and orders adopted or made thereunder and all statutes or other laws amending, consolidating or replacing the statute or law referred to; (vi) the words “consent”, “approve”, “agree” and “request”, and derivations thereof or words of similar import, mean the prior written consent, approval, agreement or request of the Person in question; (vii) the words “include” and “including”, and words of similar import, shall be deemed to be followed by the words “without limitation”; (viii) the words “hereto”, “herein”, “hereof” and “hereunder”, and words of similar import, refer to this Mortgage in its entirety; (ix) references to Articles, Sections, Schedules, Exhibits, subsections, paragraphs and clauses are to the Articles, Sections, Schedules, Exhibits, subsections, paragraphs and clauses of this Mortgage; (x) the Schedules and Exhibits to this Mortgage are incorporated herein by reference; (xi) the titles and headings of Articles, Sections, Schedules, Exhibits, subsections, paragraphs and clauses are inserted as a matter of convenience and shall not affect the construction of this Mortgage; (xii) all obligations of the Mortgagor hereunder shall be satisfied by the Mortgagor at the Mortgagor’s sole cost and expense; and (xiii) all rights and powers granted to the Mortgagee hereunder shall be deemed to be coupled with an interest and be irrevocable.

## ARTICLE 2

## CERTAIN WARRANTIES AND COVENANTS OF THE MORTGAGOR

SECTION 2.01. *Title.* (a) The Mortgagor warrants that, as of the date hereof, (i) (x) the Mortgagor has a valid and subsisting leasehold interest in the Land and the Improvements thereon, subject to the provisions of the Master Lease, free and clear of all Liens other than the Permitted Liens, (y) the Mortgagor is the owner of, or has a valid leasehold interest in, the Equipment and all other items constituting the Mortgaged Property, and (z) this Mortgage constitutes a valid, binding and enforceable first priority Lien on the Mortgaged Property, in each case subject only to the terms of the Master Lease and to Permitted Liens; (ii) the Master Lease creates and constitutes in the Mortgagor a valid and subsisting leasehold interest in the Land and the Improvements located thereon, (iii) the Master Lease has not been modified, amended or assigned except as set forth in Exhibit A, and (iv) to the best of the Mortgagor's knowledge, there is no default under the Master Lease, all rents due have been paid in full in accordance with the Plan of Reorganization (as defined in the Credit Agreement), and no action has commenced and is pending to terminate the Master Lease.

(b) The Mortgagor shall forever preserve, protect, warrant and defend (A) the estate, right, title and interest of the Mortgagor in and to the Mortgaged Property; (B) the validity, enforceability and priority of the Lien of this Mortgage on the Mortgaged Property; and (C) the right, title and interest of the Mortgagee and any purchaser at any sale of the Mortgaged Property hereunder or relating hereto, in each case against all other Liens and claims whatsoever, subject only to Permitted Liens.

(c) The Mortgagor, at its sole cost and expense, shall (i) promptly correct any defect or error which may be discovered in this Mortgage or any financing statement or other document relating hereto; and (ii) promptly execute, acknowledge, deliver, record and re-record, register and re-register, and file and re-file this Mortgage and any financing statements or other documents which the Mortgagee may reasonably require from time to time (all in form and substance reasonably satisfactory to the Mortgagee) in order (A) to effectuate, complete, perfect, continue or preserve the Lien of this Mortgage as a first Lien on the Mortgaged Property, whether now owned or hereafter acquired, subject only to the Permitted Liens, or (B) to effectuate, complete, perfect, continue or preserve any right, power or privilege granted or intended to be granted to the Mortgagee hereunder or otherwise accomplish the purposes of this Mortgage. To the extent permitted by law, the Mortgagor hereby authorizes the Mortgagee to execute and file financing statements or continuation statements without the Mortgagor's signature appearing thereon if the Mortgagor has failed to do so within a reasonable period of time after demand therefor. The Mortgagor shall pay on



demand the costs of, or incidental to, any recording or filing of any financing or continuation statement, or amendment thereto, concerning the Mortgaged Property.

(d) Nothing herein shall be construed to subordinate the Lien of this Mortgage to any Permitted Lien to which the Lien of this Mortgage is not otherwise subordinate.

SECTION 2.02. *Secured Obligations.* The Mortgagor shall duly and punctually pay, perform and observe the Secured Obligations.

SECTION 2.03. *Impositions.* The Mortgagor shall (i) duly and punctually pay all Impositions prior to the delinquency date thereof; (ii) duly and punctually file all returns and other statements required to be filed with respect to any Imposition prior to the delinquency date thereof; (iii) promptly notify the Mortgagee of the receipt by the Mortgagor of any notice of default in the payment of any Imposition or in the filing of any return or other statement relating to any Imposition and simultaneously furnish to the Mortgagee a copy of such notice of default; and (iv) not make deduction from or claim any credit on any Secured Obligation by reason of any imposition and, to the extent permitted under applicable law, hereby irrevocably waives any right to do so.

SECTION 2.04. *Legal and Insurance Requirements.* (a) The Mortgagor represents and warrants that as of the date hereof, (i) to the Mortgagor's knowledge, the Property and the use and operation thereof comply in all material respects with all Legal Requirements and Insurance Requirements, (ii) to the Mortgagor's knowledge there is no default under any material Legal Requirement or Insurance Requirement and (iii) the execution, delivery and performance of this Mortgage will not contravene any provision of or constitute a default under any material Legal Requirement or Insurance Requirement.

(b) The Mortgagor shall (i) duly and punctually comply in all material respects with all Legal Requirements and Insurance Requirements; (ii) procure, maintain and duly and punctually comply in all material respects with all permits required for any construction, reconstruction, repair, alteration, addition, improvement, maintenance, management, use and operation of the Property as conducted from time to time; (iii) promptly notify the Mortgagee of the receipt by the Mortgagor of any notice of default regarding any Legal Requirement, Insurance Requirement or Permit or any possible or actual termination of any Permit or Insurance Policy and furnish to the Mortgagee a copy of such notice of default or termination; and (iv) promptly after obtaining knowledge thereof notify the Mortgagee of any condition which, with or without the giving of notice or the passage of time or both, would constitute a default regarding any Legal

Requirement or Insurance Requirement or a termination of any Permit or Insurance Policy and the action being taken to remedy such condition.

SECTION 2.05. *Status and Care of the Property.* (a) The Mortgagor represents and warrants that (i) the Property is served by all necessary water, sanitary and storm sewer, drainage, electric, steam, gas, telephone and other utility facilities to serve the current use and operation of the Property; (ii) the Property has legal access to all streets or roads necessary to serve the current use and operation of the Property; and (iii) the Improvements are not located in an area designated as "flood hazard area" in any Flood Insurance Rate Map published by the Federal Emergency Management Agency (or any successor agency), or to the extent the Improvements are located in an area designated as a "flood hazard area," the Mortgagor maintains in full force and effect flood insurance under the National Flood Insurance Program to the extent and in the amounts required by applicable law.

(b) The Mortgagor (i) shall not (A) initiate, consent to or affirmatively support any change in the applicable zoning which would materially and adversely affect the value of the Lien created by this Mortgage, (B) seek any variance (or any change in any variance) under the zoning which would materially and adversely affect the value of the Lien created by this Mortgage, or (C) execute or file any subdivision or other plat or map which would materially and adversely affect the value of the Lien created by this Mortgage, and (ii) shall, promptly after receiving notice or obtaining knowledge of any proposed change in the zoning materially and adversely affecting the value of the Lien created by this Mortgage or which would result in the current use of the Property being a non-conforming use for which a variance has not been obtained, notify the Mortgagee thereof and diligently contest the same by any action or proceeding deemed appropriate by the Mortgagor in its reasonable judgment or reasonably requested by the Mortgagee *provided*, however, that the Mortgagor shall not hereby be obligated to commence or prosecute any legal action.

SECTION 2.06. *Liens.* The Mortgagor shall not create or permit to be created or to remain, and shall immediately discharge or cause to be discharged, any Lien on the Mortgaged Property or any interest therein, in each case (i) whether voluntarily or involuntarily created, (ii) whether directly or indirectly a Lien thereon and (iii) whether subordinated hereto, except Permitted Liens. The provisions of this Section shall apply to each and every Lien (other than Permitted Liens) on the Mortgaged Property or any interest therein, regardless of whether a consent to, or waiver of a right to consent to, any other Lien thereon has been previously obtained in accordance with the terms of the Financing Documents.

SECTION 2.07. *Transfer*. The Mortgagor shall not Transfer, or suffer any Transfer of, the Mortgaged Property or any part thereof or interest therein, except, subject to the rights of the Mortgagee hereunder if an Event of Default has occurred and is continuing, in connection with Permitted Dispositions, *provided* the Net Cash Proceeds thereof are applied as required by the Financing Documents.

SECTION 2.08. *Master Lease*. (a) The Mortgagor represents and warrants that (i) the Mortgagor has furnished to the Mortgagee a true and complete copy of the Master Lease; (ii) the Master Lease has not been modified or assigned by the Mortgagor or, to the knowledge of the Mortgagor, assigned by the landlord thereunder; (iii) the Master Lease is in full force and effect and, to the knowledge of the Mortgagor, there is no default under the Master Lease and there is existing no condition which with the giving of notice or passage of time or both would cause a default under the Master Lease; and (iv) the execution, delivery and performance of this Mortgage do not require any consent (other than those consents which have been obtained and are in full force and effect) under, and will not contravene any provision of or cause a default under, the Master Lease.

(b) The Mortgagor (i) shall duly and punctually pay, perform and observe all of its obligations under the Master Lease; (ii) shall do all things necessary or appropriate to enforce, preserve and keep unimpaired the rights of the Mortgagor and the obligations of each of the other parties under the Master Lease; (iii) shall not terminate or surrender the Master Lease; (iv) shall not modify or amend the Master Lease in any material respect except with the prior written consent of the Mortgagee or except as required by the terms of the Master Lease (including, without limitation, in connection with "New Leases," "New Master Leases" and "Section 40.18 Leases" contemplated under the Master Lease); (v) shall notify the Mortgagee in writing not later than 120 days prior to the last date on which the Mortgagor can exercise (A) any right to extend the term of the Master Lease or (B) any option to purchase or otherwise acquire the interest of the landlord under the Master Lease; (vi) unless the Required Lenders shall otherwise approve, shall exercise (not later than 60 days prior to the last date on which the Mortgagor may timely do so) each right of the Mortgagor under the Master Lease to extend the term thereof, and (vii) shall notify the Mortgagee (A) promptly after receipt or contemporaneously when given, as the case may be, of the receipt or giving by the Mortgagor of any notice of default under the Master Lease or of any notice of the possible or actual termination thereof, any material right of the Mortgagor thereunder or any material obligation of any other party thereunder, accompanied by a copy of such notice; (B) promptly after learning about any such condition, of the existence of any condition which, with or without the giving of notice or the passage of time or both, would constitute a default under the Master Lease or any termination thereof; (C) promptly after receiving or learning of the existence of any such assignment, or the existence of any assignment of the interest of the landlord

under the Master Lease, accompanied by a copy of any such assignment; and (D) promptly after receipt or contemporaneously when given, as the case may be, of the receipt or giving of any notice relating to any option to purchase or right of first refusal under the Master Lease, accompanied by a copy of such notice.

(c) In the event the Mortgagor acquires the fee simple title or any other greater estate or interest in the Land, such acquisition will not merge with the leasehold estate created by the Master Lease, but such other title, estate or interest will remain discrete, shall immediately and automatically become subject to the Lien hereof and such title, estate or interest shall be part of the Mortgaged Property and included within the term and definition of "Land". The Mortgagor shall execute, acknowledge and deliver any instruments requested by the Mortgagee to confirm the coverage of the Lien hereof upon such other greater estate or interest. The Mortgagor shall pay any and all conveyance or mortgage taxes, and filing or similar fees in connection with the execution, delivery, filing or recording of any such instrument.

(d) The Mortgagor hereby unconditionally assigns, transfers and sets over to the Mortgagee all of the Mortgagor's claims and rights to the payment of damages arising from any rejection by the landlord under the Master Lease pursuant to the Bankruptcy Code. The Mortgagee shall have the right to proceed in its own name or in the name of the Mortgagor in respect of any claim, suit, action or proceeding relating to the rejection of the Master Lease, including, the right to file and prosecute, to the exclusion of the Mortgagor, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of such landlord under the Bankruptcy Code. This assignment constitutes a present, irrevocable and unconditional assignment of the foregoing claims, rights and remedies, and shall continue in effect until the termination of this Mortgage in the manner and at the time provided in Section 7.02. Any amounts received by the Mortgagee as damages arising out of the rejection of the Master Lease as aforesaid shall be applied and paid as set forth in Section 5.06.

(e) The Mortgagor shall not, without the Mortgagee's prior consent, elect to treat the Master Lease as terminated under Section 365(h)(1) of the Bankruptcy Code. Any such election made without the Mortgagee's prior consent shall be void.

(f) If pursuant to Section 365(h)(1) of the Bankruptcy Code, the Mortgagor seeks to offset against the rent or other charges reserved in the Master Lease the amount of any damages caused by the non-performance by the landlord of any of the landlord's obligations under the Master Lease after the rejection by the landlord of the Master Lease under the Bankruptcy Code, the Mortgagor shall, prior to effecting such offset, notify the Mortgagee of its intention to do so, setting

forth the amounts proposed to be so offset and the basis therefor. The Mortgagee shall have the right, within ten (10) days after receipt of such notice from the Mortgagor, to reasonably object to all or any part of such offset, and, in the event of such reasonable objection, the Mortgagor shall not effect any offset of the amounts so objected to by the Mortgagee for a period of thirty days after the Mortgagee has delivered its objection notice to the Mortgagor during which time the Mortgagee shall have the right to bring its objections to the attention of any court supervising the bankruptcy of the owner of the Master Lease and both the Mortgagee and the Mortgagor agree to abide by the decision of any such court. If (A) the Mortgagee has failed to object as aforesaid within the (10) days after notice from the Mortgagee or (B) the court fails to render its decision within the above-mentioned thirty day period, the Mortgagor may proceed to effect such offset in the amounts set forth in the Mortgagor's notice. Neither the Mortgagee's failure to object as aforesaid nor any objection or other communication between the Mortgagee and the Mortgagor relating to such offset shall constitute an approval of any such offset by the Mortgagee.

(g) If any action, proceeding, motion or notice shall be commenced or filed in respect of the Mortgaged Property in connection with any case under the Bankruptcy Code (other than a case under the Bankruptcy Code commenced with respect to the Mortgagor), the Mortgagee shall have the option, to the exclusion of the Mortgagor, exercisable upon notice to the Mortgagor, to conduct and control any such litigation with counsel of the Mortgagee's choice. The Mortgagee may proceed in its own name or in the name of the Mortgagor in connection with any such litigation, and the Mortgagor agrees to execute any and all powers, authorizations, consents and other documents required by the Mortgagee in connection therewith. The Mortgagor shall pay to the Mortgagee all costs and expenses (including, without limitation, reasonable attorneys' fees and disbursements) paid or incurred by the Mortgagee in connection with the prosecution or conduct of any such proceedings within five (5) days after notice from the Mortgagee setting forth such costs and expenses in reasonable detail. Any such costs or expenses not paid by the Mortgagor as aforesaid shall be a part of the Secured Obligations and shall be secured by this Mortgage. The Mortgagor shall not commence any action, suit, proceeding or case, or file any application or make any motion, in respect of the Master Lease in any such case under the Bankruptcy Code (other than a case under the Bankruptcy Code commenced with respect to the Mortgagor) without the prior consent of the Required Lenders, which consent shall not be unreasonably withheld.

(h) The Mortgagor shall promptly, after obtaining knowledge thereof, notify the Mortgagee orally of any filing by or against the landlord under the Master Lease of a petition under the Bankruptcy Code. The Mortgagor shall thereafter forthwith give notice of such filing to the Mortgagee, setting forth any

information available to the Mortgagor as to the date of such filing, the court in which such petition was filed, and the relief sought therein. The Mortgagor shall promptly deliver to the Mortgagee following receipt any and all notices, summonses, pleadings, applications and other documents received by the Mortgagor in connection with any such petition and any proceedings relating thereto.

(i) If there shall be filed by or against the Mortgagor a petition under the Bankruptcy Code, and the Mortgagor, as the tenant under the Master Lease, shall determine to reject the Master Lease pursuant to Section 365(a) of the Bankruptcy Code, then the Mortgagor shall give the Mortgagee not less than ten (10) days' prior notice of the date on which the Mortgagor shall apply to the bankruptcy court for authority to reject the Master Lease. The Mortgagee shall have the right, but not the obligation, to serve upon the Mortgagor within such 10-day period a notice stating that (i) the Mortgagee demands that the Mortgagor assume and assign the Master Lease to the Mortgagee pursuant to Section 365 of the Bankruptcy Code and (ii) the Mortgagee covenants to cure or provide adequate assurance of prompt cure of all defaults and provide adequate assurance of future performance of the Mortgagor's obligations under the Master Lease. If the Mortgagee serves upon the Mortgagor the notice described in the preceding sentence, the Mortgagor shall not seek to reject the Master Lease and shall seek court approval to comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after the notice shall have been given, subject to the performance by the Mortgagee of the covenant provided for in clause (ii) of the preceding sentence.

(j) Effective upon the entry of an order for relief in respect of the Mortgagor under the Bankruptcy Code, the Mortgagor hereby assigns and transfers to the Mortgagee a non-exclusive right to apply to the bankruptcy court under Section 365(d)(4) of the Bankruptcy Code for an order extending the period during which the Master Lease may be rejected or assumed.

## ARTICLE 3

### INSURANCE, CASUALTY AND CONDEMNATION

SECTION 3.01. *Insurance.* The Mortgagor shall maintain in full force and effect Insurance Policies with respect to the Property as required by Section 5.03 of the Credit Agreement.

SECTION 3.02. *Casualty and Condemnation.* (a) The Mortgagor represents and warrants that, as of the date hereof, (i) there is no Casualty Event or Condemnation Event, (ii) there are no negotiations or proceedings which might

result in a Condemnation Event and (iii) to the knowledge of the Mortgagor, no Condemnation Event is proposed or threatened.

(b) If any Casualty Event or Condemnation Event occurs, the Mortgagor shall immediately take such action as is required by Section 5.09 of the Credit Agreement and the other Financing Documents and any Net Casualty Proceeds shall be held, deposited in the Reduction Event Account, applied and/or disbursed as required by Section 2.11(a) of the Credit Agreement and Section 7 of the Security Agreement.

#### ARTICLE 4

##### CERTAIN SECURED OBLIGATIONS

SECTION 4.01. *Interest after Default.* If, pursuant to the terms of this Mortgage, the Mortgagee shall make any payment on behalf of the Mortgagor (including any payment made by the Mortgagee pursuant to Section 5.10), or shall incur hereunder any expense for which the Mortgagee is entitled to reimbursement pursuant to the terms of the Financing Documents, such Secured Obligation shall be payable on demand and any amounts not paid on demand shall bear interest, payable on demand, for each day until paid at the Post-Default Rate for such day. Such interest, and any other interest on the Secured Obligations payable at the Post-Default Rate pursuant to the terms of the Financing Documents, shall accrue through the date paid notwithstanding any intervening judgment of foreclosure or sale. All such interest shall be part of the Secured Obligations and shall be secured by this Mortgage.

SECTION 4.02. *Changes in the Laws Regarding Taxation.* If, after the date hereof, there shall be enacted any applicable law changing in any way the taxation of mortgages, deeds of trust or other Liens or obligations secured thereby, or the manner of collection of such taxes, so as to adversely affect this Mortgage, the Secured Obligations, the Mortgagee or any Secured Party, promptly after demand by the Mortgagee or any affected Secured Party, the Mortgagor shall pay all taxes, assessments or other charges resulting therefrom or shall reimburse such affected Person for all such taxes, assessments or other charges which such Person is obligated to pay as a result thereof.

SECTION 4.03. *Indemnification.* The Mortgagor shall protect, indemnify and defend each of the Mortgagee and the Secured Parties (each, an "**Indemnified Party**") from and against all claims, damages, losses, liabilities, costs or expenses of any kind and nature whatsoever (including reasonable attorneys' fees and expenses) which may be imposed on, incurred by or asserted against any

Indemnified Party by reason or on account of, or in connection with (a) this Mortgage; (b) the Mortgagee's good faith exercise of any of its rights and remedies hereunder; (c) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, street or ways; (d) any use, misuse, non-use, condition, maintenance or repair by the Mortgagor or anyone claiming by, through or under the Mortgagor; and (e) any failure by the Mortgagor or anyone claiming by, through or under the Mortgagor to perform under the Master Lease; *provided*, that any claims caused by the willful misconduct or gross negligence of any Indemnified Party as determined by a court of competent jurisdiction shall be excluded from the foregoing indemnification of such Indemnified Party. Any amount payable under this Section will be deemed a demand obligation and will bear interest pursuant to Section 4.01. The obligations of the Mortgagor under this Section shall survive the termination of this Mortgage.

## ARTICLE 5

### DEFAULTS, REMEDIES AND RIGHTS

SECTION 5.01. *Events of Default.* Any Event of Default (as defined in the Credit Agreement) under the Credit Agreement shall constitute an Event of Default hereunder. Notwithstanding that, pursuant to Section 8.01(d) of the Credit Agreement, the failure of the Mortgagor to comply with certain covenants set forth herein (including, without limitation, Sections 2.03, 2.04, 2.05 and 2.08(b)(i)) will not result in an Event of Default absent the circumstances described in Section 8.01(h) or (l) of the Credit Agreement, the Mortgagee may nevertheless exercise its cure rights under the relevant Master Lease Agreements and/or exercise its right to perform for the Mortgagor pursuant to Section 5.10. All notice and cure periods provided in the Credit Agreement and the other Financing Documents shall run concurrently with any notice or cure periods provided under applicable law.

SECTION 5.02. *Remedies.* (a) When an Event of Default has occurred and is continuing, the Mortgagee shall have the right and power, subject to the terms of Article 8 of the Credit Agreement, to accelerate the Secured Obligations and shall have the right and power to exercise any of the following remedies and rights, subject to mandatory provisions of applicable law, to wit:

- (i) to institute a proceeding or proceedings, by advertisement, judicial process or otherwise as provided under applicable law, for the complete or partial foreclosure of this Mortgage or the complete or partial sale of the Mortgaged Property under the power of sale hereunder or under any applicable provision of law; or



(ii) to sell the Mortgaged Property, and all estate, right, title, interest, claim and demand of the Mortgagor therein and thereto, and all rights of redemption thereof, at one or more sales, as an entirety or in parcels, with such elements of real or personal property, at such time and place and upon such terms as the Mortgagee may deem expedient or as may be required under applicable law, and in the event of a sale hereunder or under any applicable provision of law of less than all of the Mortgaged Property, this Mortgage shall continue as a Lien on the remaining Mortgaged Property; or

(iii) to institute a suit, action or proceeding for the specific performance of any of the provisions of this Mortgage; or

(iv) to be entitled to the appointment of a receiver, supervisor, trustee, liquidator, conservator or other custodian (a "Receiver") of the Mortgaged Property, without notice to the Mortgagor, to the fullest extent permitted by law, as a matter of right and without regard to, or the necessity to disprove, the adequacy of the security for the Secured Obligations or the solvency of the Mortgagor or any other obligor, and the Mortgagor hereby, to the fullest extent permitted by applicable law, irrevocably waives such necessity and consents to such appointment, without notice, said appointee to be vested with the fullest powers permitted under applicable law, including to the extent permitted under applicable law those under clause (v) of this subsection (a); or

(v) to enter upon the Property, by the Mortgagee (or its agent) or a Receiver (whichever is the Person exercising the rights under this clause), and, to the extent permitted by applicable law, exclude the Mortgagor and its managers, employees, contractors, agents and other representatives therefrom in accordance with applicable law, without liability for trespass, damages or otherwise, and take possession of all other Mortgaged Property and all books, records and accounts relating thereto, and upon demand the Mortgagor shall surrender possession of the Property, the other Mortgaged Property and such books, records and accounts to the Person exercising the rights under this clause; and having and holding the same, the Person exercising the rights under this clause may use, operate, manage, preserve, control and otherwise deal therewith and conduct the business thereof, either personally or by its managers, employees, contractors, agents or other representatives, without interference from the Mortgagor or its managers, employees, contractors, agents and other representatives; and, upon each such entry and from time to time thereafter, at the expense of the Mortgagor, without interference by the Mortgagor or its managers,

employees, contractors, agents and other representatives, the Person exercising the rights under this clause may, as such Person deems expedient, (A) insure or reinsure the Property, (B) make all necessary or proper repairs, renewals, replacements, alterations, additions, Restorations, betterments and improvements to the Property and (C) in such Person's own name or, at the option of such Person, in the Mortgagor's name, exercise all rights, powers and privileges of the Mortgagor with respect to the Mortgaged Property, including the right to enter into Leases with respect to the Property, including Leases extending beyond the time of possession by the Person exercising the rights under this clause; and the Person exercising the rights under this clause shall not be liable to account for any action taken hereunder, other than for Rents actually received by such Person, and shall not be liable for any loss sustained by the Mortgagor resulting from any failure to let the Property or from any other act or omission of such Person, except to the extent such loss is caused by such Person's own willful misconduct or gross negligence; or

(vi) with or, to the fullest extent permitted by applicable law, without entry upon the Property, in the name of the Mortgagee or a Receiver as required by law (whichever is the Person exercising the rights under this clause) or, at such Person's option, in the name of the Mortgagor, to collect, receive, sue for and recover all Rents and proceeds of or derived from the Mortgaged Property, and after deducting therefrom all costs, expenses and liabilities of every character incurred by the Person exercising the rights under this clause in collecting the same and in using, operating, managing, preserving and controlling the Mortgaged Property and otherwise in exercising the rights under clause (v) of this subsection (a) or any other rights hereunder, including all amounts necessary to pay Impositions, Rents, Insurance Premiums and other costs, expenses and liabilities relating to the Property, as well as reasonable compensation for the services of such Person and its managers, employees, contractors, agents or other representatives, to apply the remainder as provided in Section 5.06; or

(vii) to take any action with respect to any Mortgaged Property permitted under the Local UCC; or

(viii) to take any other action, or pursue any other remedy or right, as the Mortgagee may have under applicable law, including the right to foreclosure through court action, and the Mortgagor does hereby grant the same to the Mortgagee.

(b) To the fullest extent permitted by applicable law,

(i) each remedy or right hereunder shall be in addition to, and not exclusive or in limitation of, any other remedy or right hereunder, under any other Financing Document or under applicable law;

(ii) every remedy or right hereunder, under any other Financing Document or under applicable law may be exercised concurrently or independently and whenever and as often as deemed appropriate by the Mortgagee;

(iii) no failure to exercise or delay in exercising any remedy or right hereunder, under any other Financing Document or under applicable law shall be construed as a waiver of any Default, Event of Default or other occurrence hereunder or under any other Financing Document;

(iv) no waiver of, failure to exercise or delay in exercising any remedy or right hereunder, under any other Financing Document or under applicable law upon any Default, Event of Default or other occurrence hereunder or under any other Financing Document shall be construed as a waiver of, or otherwise limit the exercise of, such remedy or right upon any other or subsequent Default, Event of Default or other or subsequent occurrence hereunder or under any other Financing Document;

(v) no single or partial exercise of any remedy or right hereunder, under any other Financing Document or under applicable law upon any Default or Event of Default or other occurrence hereunder or under any other Financing Document shall preclude or otherwise limit the exercise of any other remedy or right hereunder, under any other Financing Document or under applicable law upon such Default or Event of Default or occurrence or upon any other or subsequent Default or Event of Default or other or subsequent occurrence hereunder or under any other Financing Document;

(vi) the acceptance by the Mortgagee, any other Agent or any Secured Party of any payment less than the amount of the Secured Obligation in question shall be deemed to be an acceptance on account only and shall not be construed as a waiver of any Default or Event of Default hereunder or under any other Financing Document with respect thereto; and

(vii) the acceptance by the Mortgagee, any other Agent or any Secured Party of any payment of, or on account of, any Secured Obligation shall not be deemed to be a waiver of any Default or Event of Default or

other occurrence hereunder or under any other Financing Document with respect to any other Secured Obligation.

(c) If the Mortgagee has proceeded to enforce any remedy or right hereunder or with respect hereto by foreclosure, sale, entry or otherwise, it may compromise, discontinue or abandon such proceeding for any reason without notice to the Mortgagor or any other Person (except the Beneficiary, any other Agent, the Lenders or the other Secured Parties to the extent required by the other Financing Documents); and, if any such proceeding shall be discontinued, abandoned or determined adversely for any reason, the Mortgagor and the Mortgagee shall retain and be restored to their former positions and rights hereunder with respect to the Mortgaged Property, subject to the Lien hereof except to the extent any such adverse determination specifically provides to the contrary.

(d) For the purpose of carrying out any provisions of Section 5.02(a)(v), 5.02(a)(vi), 5.05, 5.07, 5.10 or 6.01 or any other provision hereunder authorizing the Mortgagee or any other Person to perform any action on behalf of the Mortgagor, the Mortgagor hereby irrevocably appoints the Mortgagee or a Receiver appointed pursuant to Section 5.02(a)(iv) or such other Person as the attorney-in-fact of the Mortgagor (with a power to substitute any other Person in its place as such attorney-in-fact) to act in the name of the Mortgagor or, at the option of the Person appointed to act under this subsection, in such Person's own name, to take the action authorized under Section 5.02(a)(v), 5.02(a)(vi), 5.05, 5.07, 5.10 or 6.01 or such other provision, and to execute, acknowledge and deliver any document in connection therewith or to take any other action incidental thereto as the Person appointed to act under this subsection shall deem appropriate in its discretion; and the Mortgagor hereby irrevocably authorizes and directs any other Person to rely and act on behalf of the foregoing appointment and a certificate of the Person appointed to act under this subsection that such Person is authorized to act under this subsection.

**SECTION 5.03. *Waivers by the Mortgagor.*** To the fullest extent permitted under applicable law, the Mortgagor shall not assert, and hereby irrevocably waives, any right or defense the Mortgagor may have under any statute or rule of law or equity now or hereafter in effect relating to (a) appraisal, valuation, homestead exemption, extension, moratorium, stay, statute of limitations, redemption, marshaling of the Mortgaged Property or the other assets of the Mortgagor, sale of the Mortgaged Property in any order or notice of deficiency or intention to accelerate any Secured Obligation; (b) impairment of any right of subrogation or reimbursement; (c) any requirement that at any time any action must be taken against any other Person, any portion of the Mortgaged Property or any other asset of the Mortgagor or any other Person; (d) any provision barring or

limiting the right of the Mortgagee to sell any Mortgaged Property after any other sale of any other Mortgaged Property or any other action against the Mortgagor or any other Person; (e) any provision barring or limiting the recovery by the Mortgagee of a deficiency after any sale of the Mortgaged Property; (f) any other provision of applicable law which shall defeat, limit or adversely affect any right or remedy of the Mortgagee or any Secured Party under or with respect to this Mortgage or any other Collateral Document as it relates to any Mortgaged Property; or (g) the right of the Mortgagee to foreclose this Mortgage in its own name on behalf of all of the Secured Parties by judicial action as the real party in interest without the necessity of joining any Secured Party.

**SECTION 5.04. *Jurisdiction and Process.*** (a) To the extent permitted under applicable law, in any suit, action or proceeding arising out of or relating to this Mortgage or any other Collateral Document as it relates to any Mortgaged Property, the Mortgagor (i) irrevocably consents to the non-exclusive jurisdiction of any state or federal court sitting in the State in which the Property is located and irrevocably waives any defense or objection which it may now or hereafter have to the jurisdiction of such court or the venue of such court or the convenience of such court as the forum for any such suit, action or proceeding; and (ii) irrevocably consents to the service of (A) any process in accordance with applicable law in any such suit, action or proceeding, or (B) any notice relating to any sale, or the exercise of any other remedy by the Mortgagee hereunder by mailing a copy of such process or notice by United States registered or certified mail, postage prepaid, return receipt requested to the Mortgagor at its address specified in or pursuant to Section 7.03; such service to be effective in accordance with applicable law.

(b) Nothing in this Section shall affect the right of the Mortgagee to bring any suit, action or proceeding arising out of or relating to this Mortgage or any other Collateral Document in any court having jurisdiction under the provisions of any other Collateral Document or applicable law or to serve any process, notice of sale or other notice in any manner permitted by any other Collateral Document or applicable law.

**SECTION 5.05. *Sales.*** Except as otherwise provided herein, to the fullest extent permitted under applicable law, at the election of the Mortgagee, the following provisions shall apply to any sale of the Mortgaged Property hereunder, whether made pursuant to the power of sale under Section 5.02 or under any applicable provision of law, any judicial proceeding or any judgment or decree of foreclosure or sale or otherwise:

(a) The Mortgagee or the court officer (whichever is the Person conducting any sale) may conduct any number of sales from time to time. The

power of sale hereunder or with respect hereto shall not be exhausted by any sale as to any part or parcel of the Mortgaged Property which is not sold, unless and until the Secured Obligations shall have been paid in full, and shall not be exhausted or impaired by any sale which is not completed or is defective. Any sale may be as a whole or in part or parcels and, as provided in Section 5.03, the Mortgagor has waived its right to direct the order in which the Mortgaged Property or any part or parcel thereof is sold.

(b) Any sale may be postponed or adjourned by public announcement at the time and place appointed for such sale or for such postponed or adjourned sale without further notice.

(c) After each sale, the Person conducting such sale shall execute and deliver to the purchaser or purchasers at such sale a good and sufficient instrument or instruments granting, conveying, assigning, transferring and delivering all right, title and interest of the Mortgagor in and to the Mortgaged Property sold and shall receive the proceeds of such sale and apply the same as provided in Section 5.06. The Mortgagor hereby irrevocably appoints the Person conducting such sale as the attorney-in-fact of the Mortgagor (with full power to substitute any other Person in its place as such attorney-in-fact) to act in the name of the Mortgagor or, at the option of the Person conducting such sale, in such Person's own name, to make without warranty by such Person any conveyance, assignment, transfer or delivery of the Mortgaged Property sold, and to execute, acknowledge and deliver any instrument of conveyance, assignment, transfer or delivery or other document in connection therewith or to take any other action incidental thereto, as the Person conducting such sale shall deem appropriate in its discretion; and the Mortgagor hereby irrevocably authorizes and directs any other Person to rely and act upon the foregoing appointment and a certificate of the Person conducting such sale that such Person is authorized to act hereunder. Nevertheless, upon the request of such attorney-in-fact the Mortgagor shall promptly execute, acknowledge and deliver any documentation which such attorney-in-fact may require for the purpose of ratifying, confirming or effectuating the powers granted hereby or any such conveyance, assignment, transfer or delivery by such attorney-in-fact.

(d) Any statement of fact or other recital made in any instrument referred to in Section 5.05(c) given by the Person conducting any sale as to the nonpayment of any Secured Obligation, the occurrence of any Event of Default, the amount of the Secured Obligations due and payable, the request to the Mortgagee to sell, the notice of the time, place and terms of sale and of the Mortgaged Property to be sold having been duly given, the refusal, failure or inability of the Mortgagee to act, the appointment of any substitute or successor agent, any other act or thing having been duly done by the Mortgagor, the Mortgagee or any other such Person, shall be

taken as conclusive and binding against all other Persons as evidence of the truth of the facts so stated or recited.

(e) The receipt by the Person conducting any sale of the purchase money paid at such sale shall be sufficient discharge therefor to any purchaser of any Mortgaged Property sold, and no such purchaser, or its representatives, grantees or assigns, after paying such purchase price and receiving such receipt, shall be bound to see to the application of such purchase price or any part thereof upon or for any trust or purpose of this Mortgage or the other Financing Documents, or, in any manner whatsoever, be answerable for any loss, misapplication or nonapplication of any such purchase money or be bound to inquire as to the authorization, necessity, expediency or regularity of such sale.

(f) Subject to mandatory provisions of applicable law, any sale shall operate to divest all of the estate, right, title, interest, claim and demand whatsoever, whether at law or in equity, of the Mortgagor in and to the Mortgaged Property sold, and shall be a perpetual bar both at law and in equity against the Mortgagor and any and all Persons claiming such Mortgaged Property or any interest therein by, through or under the Mortgagor.

(g) At any sale, the Mortgagee may bid for and acquire the Mortgaged Property sold and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting or causing the Secured Parties to credit against the Secured Obligations, including the expenses of the sale and the cost of any enforcement proceeding hereunder, the amount of the bid made therefor to the extent necessary to satisfy such bid.

(h) If the Mortgagor or any Person claiming by, through or under the Mortgagor shall transfer or fail to surrender possession of the Mortgaged Property, after the exercise by the Mortgagee of the Mortgagee's remedies under Section 5.02(a)(v) or after any sale of the Mortgaged Property pursuant hereto, then the Mortgagor or such Person shall be deemed a tenant at sufferance of the purchaser at such sale, subject to eviction by means of summary process for possession of land, or subject to any other right or remedy available hereunder or under applicable law.

(i) Upon any sale, it shall not be necessary for the Person conducting such sale to have any Mortgaged Property being sold present or constructively in its possession.

(j) If a sale hereunder shall be commenced by the Mortgagee, the Mortgagee may at any time before the sale abandon the sale, and may institute suit for the collection of the Secured Obligations or for the foreclosure of this

Mortgage; or if the Mortgagee shall institute a suit for collection of the Secured Obligations or the foreclosure of this Mortgage, the Mortgagee may at any time before the entry of final judgment in said suit dismiss the same and sell the Mortgaged Property in accordance with the provisions of this Mortgage.

SECTION 5.06. *Proceeds.* (a) So long as the Intercreditor Agreement is in effect, following a Triggering Event (as defined therein), subject to the mandatory provisions of applicable law, the Mortgagee shall apply the proceeds of any sale of, or other realization upon, all or any part of the Mortgaged Property, as set forth in the Intercreditor Agreement.

(b) At all times when the Intercreditor Agreement is not in effect, upon being instructed to do so in an Enforcement Notice or in written instructions given by the Required Lenders at any time while an Enforcement Notice is in effect, subject to the mandatory provisions of applicable law, the Mortgagee shall apply the proceeds of any sale of, or other realization upon, all or any part of the Mortgaged Property whether made pursuant to the power of sale hereunder or under any applicable provision of law, any judicial proceeding or any judgment or decree of foreclosure or sale or otherwise, in the following order of priorities:

*first*, to pay the expenses of such sale or other realization, including reasonable compensation to the person conducting any sale which may be agents of and counsel for the Mortgagee, and all expenses, liabilities and advances incurred or made by the Mortgagee in connection with the Collateral Documents, and any other amounts then due and payable to the Mortgagee pursuant to Section 13 of the Security Agreement and to the other Agents pursuant to Section 11.03 of the Credit Agreement;

*second*, to pay the unpaid principal of the Secured Obligations ratably (or provide for the payment thereof pursuant to subsection (c) of this Section), until payment in full of the principal of all Secured Obligations shall have been made (or so provided for);

*third*, to pay all interest (including Post-Petition Interest) on the Secured Obligations and all fees payable under the Credit Agreement ratably, until payment in full of all such interest and fees shall have been made;

*fourth*, to pay all other Secured Obligations ratably (or provide for the payment thereof pursuant to subsection (c) of this Section), until payment in full of all such other Secured Obligations shall have been made (or so provided for); and



*finally*, to pay to the Mortgagor or its successors or assigns, or as a court of competent jurisdiction may direct, any surplus then remaining from the proceeds of the Mortgaged Property;

*provided* that Collateral owned by a Guarantor and any proceeds thereof shall be applied pursuant to the foregoing clauses *first*, *second*, *third* and *fourth* only to the extent that the Secured Obligations referred to therein are guaranteed by such Guarantor (and, in the case of a Subsidiary Guarantor, subject to the limitation in Section 9 of its Subsidiary Guaranty Agreement). The Mortgagee may make such distributions hereunder in cash or in kind or, on a ratable basis, in any combination thereof.

(c) If at any time any portion of any monies collected or received by the Mortgagee would, but for the provisions of this subsection (c), be payable pursuant to subsection (b) of this Section (whether or not by application of the payment provisions in the Intercreditor Agreement) in respect of a Contingent Secured Obligation, the Mortgagee shall not apply any monies to pay such Contingent Secured Obligation but instead shall request the holder thereof, at least 10 days before each proposed distribution hereunder, to notify the Mortgagee as to the maximum amount of such Contingent Secured Obligation if then ascertainable (e.g., in the case of a letter of credit, the maximum amount available for subsequent drawings thereunder). If the holder of such Contingent Secured Obligation does not notify the Mortgagee of the maximum ascertainable amount thereof at least two Business Days (as defined in the Credit Agreement) before such distribution, such holder shall not be entitled to share in such distribution. If such holder does so notify the Mortgagee as to the maximum ascertainable amount thereof, the Mortgagee will allocate to such holder a portion of the monies to be distributed in such distribution, calculated as if such Contingent Secured Obligation were outstanding in such maximum ascertainable amount. However, the Mortgagee shall not apply such portion of such monies to pay such Contingent Secured Obligation, but instead shall hold such monies or invest such monies in Liquid Investments (as defined in the Security Agreement) at the direction of the Mortgagor. The Mortgagee shall hold all such monies and all such Liquid Investments and the net proceeds thereof in trust until such time as all or part of such Contingent Secured Obligation becomes a Non-Contingent Secured Obligation, whereupon the Mortgagee at the request of the relevant Secured Party shall apply the amount so held in trust to pay such Non-Contingent Secured Obligation; *provided* that, if the other Secured Obligations theretofore paid pursuant to the same clause of subsection (b) (i.e., clause *second* or *fourth*) were not paid in full, the Mortgagee shall apply the amount so held in trust to pay the same percentage of such Non-Contingent Secured Obligation as the percentage of such other Secured Obligations theretofore paid pursuant to the same clause of subsection (b). If (i) the holder of such Contingent Secured Obligation shall advise the Mortgagee that no portion thereof remains in the category of a Contingent

Secured Obligation and (ii) the Mortgagee still holds any amount held in trust pursuant to this subsection (c) in respect of such Contingent Secured Obligation (after paying all amounts payable pursuant to the preceding sentence with respect to any portions thereof that became Non-Contingent Secured Obligations), such remaining amount shall be applied by the Mortgagee in the order of priorities set forth in subsection (b) of this Section.

(d) In making the payments and allocations required by this Section, the Mortgagee may rely upon information supplied to it pursuant to Section 16(f) of the Security Agreement. All distributions made by the Mortgagee pursuant to this Section shall be final (except in the event of manifest error) and the Mortgagee shall have no duty to inquire as to the application by the Secured Parties of any amount distributed to them.

SECTION 5.07. *Assignment of Leases.* (a) Subject to paragraph (d) below, the assignment of the Leases and the Rents pursuant to Granting Clauses V and VI are and shall be present, absolute and irrevocable assignments by the Mortgagor to the Mortgagee and, subject to the license to the Mortgagor under Section 5.07(b), the Mortgagee or a Receiver appointed pursuant to Section 5.02(a)(iv) (whichever is the Person exercising the rights under this Section) shall have the absolute, immediate and continuing right to collect and receive all such Rents now or hereafter, including during any period of redemption, accruing with respect to the Property. At the request of the Mortgagee or such Receiver, the Mortgagor shall promptly execute, acknowledge, deliver, record, register and file any additional general assignment of the Leases or specific assignment of any Lease which the Mortgagee or such Receiver may require from time to time (all in form and substance satisfactory to the Mortgagee or such Receiver) to effectuate, complete, perfect, continue or preserve the assignments of the Leases and the Rents thereunder pursuant to Granting Clauses V and VI.

(b) The Mortgagor shall have a license granted hereby to collect and receive all Rents under the Leases and apply the same subject to the provisions of the Financing Documents, such license to be terminable by the Mortgagee as provided in Section 5.07(c).

(c) When an Event of Default has occurred and is continuing, the Mortgagee or a Receiver appointed pursuant to Section 5.02(a)(iv) (whichever is the Person exercising the rights under this Section) shall have the right, exercisable upon notice to the Mortgagor, to terminate the license granted under Section 5.07(b) by notice to the Mortgagor and to exercise the rights and remedies provided under Section 5.07(a), under Sections 5.02(a)(v) and (vi) or under applicable law. Upon demand by the Person exercising the rights under this Section, the Mortgagor shall promptly pay to such Person all security deposits

under the Leases and all Rents thereunder allocable to any period after such demand. Subject to Sections 5.02(a)(v) and (vi) and any applicable requirement of law, any Rents received hereunder by such Person shall be promptly paid to the Mortgagee, and any Rents received hereunder by the Mortgagee shall be deposited in the Collateral Proceeds Account, to be held, applied and disbursed as provided in Section 7 of the Security Agreement, *provided* that, subject to Sections 5.02(a)(v) and (vi) and any applicable requirement of law, any security deposits actually received by such Person shall be promptly paid to the Mortgagee, and any security deposits actually received by the Mortgagee shall be held, applied and disbursed as provided in the applicable Leases and applicable law.

(d) Nothing herein shall be construed to be an assumption by the Person exercising the rights under this Section, or otherwise to make such Person liable for the performance, of any of the obligations of the Mortgagor under the Leases, *provided* that such Person shall be accountable as provided in Section 5.07(c) for any Rents or security deposits actually received by such Person.

SECTION 5.08. *Dealing with the Mortgaged Property.* Subject to Section 7.02, the Mortgagee shall have the right to release any portion of the Mortgaged Property, or grant or consent to the granting of any Lien affecting any portion of the Mortgaged Property, to or at the request of the Mortgagor, for such consideration as the Mortgagee may require without, as to the remainder of the Mortgaged Property, in any way impairing or affecting the Lien or priority of this Mortgage, or improving the position of any subordinate lienholder with respect thereto, or the position of any guarantor, endorser, co-maker or other obligor of the Secured Obligations, except to the extent that the Secured Obligations shall have been reduced by any actual monetary consideration received for such release and applied to the Secured Obligations, and may accept by assignment, pledge or otherwise any other property in place thereof as the Mortgagee may require without being accountable therefor to any other lienholder.

SECTION 5.09. *Right of Entry.* The Mortgagee and the representatives of the Mortgagee shall have the right, upon being instructed to do so by the Required Lenders (a) without notice, when an Event of Default has occurred and is continuing, (b) with simultaneous notice, if any payment or performance is necessary in the opinion of the Mortgagee to preserve the Mortgagee's rights under this Mortgage or with respect to the Mortgaged Property, or (c) after reasonable notice, in all other cases, to enter upon the Property at reasonable times, and with reasonable frequency, to inspect the Mortgaged Property or, subject to the provisions hereof, to exercise any right, power or remedy of the Mortgagee hereunder, *provided* that any Person so entering the Property shall not unreasonably interfere with the ordinary conduct of the Mortgagor's business, and *provided further* that no such entry on the Property, for the purpose of performing

obligations under Section 5.10 or for any other purpose, shall be construed to be (i) possession of the Property by such Person or to constitute such Person as a mortgagee in possession, unless such Person exercises its right to take possession of the Property under Section 5.02(a)(v), or (ii) a cure of any Default or waiver of any Default or Secured Obligation. The expense of any inspection pursuant to clause (c) above shall be borne by the Mortgagee unless an Event of Default shall have occurred and be continuing at the time of such inspection, in which case the Mortgagor shall pay, or reimburse the Mortgagee for, such expense.

SECTION 5.10. *Right to Perform Obligations.* If the Mortgagor fails to pay or perform any obligation of the Mortgagor hereunder, after the expiration of any applicable grace period the Mortgagee and the representatives of the Mortgagee shall have the right, upon being instructed to do so by the Required Lenders at any time, to pay or perform such obligation (a) without notice, when an Event of Default has occurred and is continuing, (b) with simultaneous notice, if such payment or performance is necessary in the opinion of the Mortgagee to preserve the Mortgagee's rights under this Mortgage or with respect to the Mortgaged Property, or (c) after notice given reasonably in advance to allow the Mortgagor an opportunity to pay or perform such obligation, *provided* that the Mortgagor is not contesting payment or performance in accordance with the terms hereof and *further provided* that no such payment or performance shall be construed to be a cure of any Default or waiver of any Default or Secured Obligation. The Mortgagor shall reimburse the Mortgagee on demand for the reasonable costs of performing any such obligations and any amounts not paid on demand shall bear interest, payable on demand, for each day until paid at the Post Default Rate for such day.

SECTION 5.11. *Concerning the Mortgagee.* (a) The provisions of Section 16 of the Security Agreement shall inure to the benefit of the Mortgagee in respect of this Mortgage and shall be binding upon the parties to the Credit Agreement and the other Financing Documents in such respect. In furtherance and not in derogation of the rights, privileges and immunities of the Mortgagee therein set forth:

(i) The Mortgagee is authorized to take all such action as is provided to be taken by it as Mortgagee hereunder and all other action incidental thereto. As to any matters not expressly provided for herein (including the timing and methods of realization upon the Mortgaged Property) the Mortgagee shall act or refrain from acting in accordance with written instructions from the Required Lenders or, in the absence of such instructions, in accordance with its discretion.

(ii) The Mortgagee shall not be responsible for the existence, genuineness or value of any of the Mortgaged Property or for the validity,

perfection, priority or enforceability of the Lien of this Mortgage on any of the Mortgaged Property, whether impaired by operation of law or by reason of any action or omission to act on its part hereunder. The Mortgagee shall have no duty to ascertain or inquire as to the performance or observance of any of the terms of this Mortgage by the Mortgagor.

(b) At any time or times, in order to comply with any legal requirement in any jurisdiction, the Mortgagee may appoint another bank or trust company or one or more other Persons, either to act as co-agent or co-agents, jointly with the Mortgagee, or to act as separate agent or agents on behalf of the Lenders or the other Secured Parties with such power and authority as may be necessary for the effectual operation of the provisions hereof and may be specified in the instrument of appointment (which may, in the discretion of the Mortgagee, include provisions for the protection of such co-agent or separate agent similar to the provisions of this Section 5.11). References to the Mortgagee in Section 5.12 shall be deemed to include any co-agent or separate agent appointed pursuant to this Section 5.11.

SECTION 5.12. *Expenses.* The Mortgagor agrees that it will forthwith on demand pay to the Mortgagee (i) the amount of any taxes which the Mortgagee may have been required to pay in order to free any of the Mortgaged Property from any Lien thereon (other than Permitted Liens), (ii) the amount of any and all out-of-pocket expenses, including the fees and disbursements of counsel and of any other experts, which the Mortgagee may reasonably incur in connection with preserving the value of the Mortgaged Property and the validity, perfection, rank or value of the Lien of this Mortgage and (iii) the amount of any and all out-of-pocket expenses, including the fees and disbursements of counsel and of any other experts, which the Mortgagee may reasonably incur in connection with the collection, sale or other disposition of any of the Mortgaged Property.

SECTION 5.13. *Intercreditor Agreement.* Notwithstanding any provision to the contrary contained herein, the terms of this Mortgage, and the rights and remedies of the Mortgagee and the Secured Parties hereunder, are subject to the Intercreditor Agreement.

## ARTICLE 6

### SECURITY AGREEMENT AND FIXTURE FILING

SECTION 6.01. *Security Agreement.* To the extent that the Mortgaged Property constitutes or includes tangible or intangible personal property, including goods or items of personal property which are or are to become fixtures under applicable law, the Mortgagor hereby grants to the Mortgagee a security interest

therein and this Mortgage shall also be construed as a pledge and a security agreement under the Local UCC; and, when an Event of Default has occurred and is continuing, the Mortgagee shall be entitled, subject to Article 8 of the Credit Agreement, to exercise with respect to such tangible or intangible personal property all remedies available under the Local UCC and all other remedies available under applicable law. Without limiting the foregoing, any personal property may, at the Mortgagee's option and, except as otherwise required by applicable law, without the giving of notice, (i) be sold hereunder, (ii) be sold pursuant to the Local UCC or (iii) be dealt with by the Mortgagee in any other manner permitted under applicable law. The Mortgagee may require the Mortgagor, after an Event of Default has occurred and is continuing, subject to Article 8 of the Credit Agreement, to assemble the personal property and make it available to the Mortgagee at a place to be designated by the Mortgagee. At any time and from time to time when an Event of Default has occurred and is continuing, subject to Article 8 of the Credit Agreement, the Mortgagee shall be the attorney-in-fact of the Mortgagor with respect to any and all matters pertaining to the personal property with full power and authority to give instructions with respect to the collection and remittance of payments, to endorse checks, to enforce the rights and remedies of the Mortgagor and to execute on behalf of the Mortgagor and in Mortgagor's name any instruction, agreement or other writing required therefor. The Mortgagor acknowledges and agrees that a disposition of the personal property in accordance with the Mortgagee's rights and remedies in respect of the Property as heretofore provided is a commercially reasonable disposition thereof. Notwithstanding the foregoing, to the extent that the Mortgaged Property includes personal property covered by the Security Agreement the provisions of the Security Agreement shall govern with respect to such personal property.

**SECTION 6.02. Fixture Filing.** To the extent that the Mortgaged Property includes goods or items of personal property which are or are to become fixtures under applicable law, and to the extent permitted under applicable law, the filing of this Mortgage in the real estate records of the City or County in which the Mortgaged Property is located shall also operate from the time of filing as a fixture filing with respect to such Mortgaged Property, and the following information is applicable for the purpose of such fixture filing, to wit:

(a) Name and address of the debtors:

Vencor, Inc. (to be renamed Kindred Healthcare, Inc.)  
Vencor Operating, Inc. (to be renamed Kindred Healthcare  
Operating, Inc.)  
680 South Fourth Avenue  
Louisville, Kentucky 40202

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(b) Name and address of the secured party:

Morgan Guaranty Trust Company of New York, as Collateral Agent  
500 Stanton Christiana Road  
Newark, Delaware 19713-2107

(c) This instrument covers goods or items of personal property which are or are to become fixtures upon the Property.

(d) The name of the record owner of the real estate on which such fixtures are or are to be located is Ventas Realty, Limited Partnership, (unless otherwise provided on Exhibit A hereto).

## ARTICLE 7

### MISCELLANEOUS

SECTION 7.01. *Future Advances.* The Secured Obligations secured by this Mortgage may include obligations of a revolving nature which are advanced, paid and readvanced from time to time. Each of the security interests of the Mortgagee hereunder and the priority of the Lien of this Mortgage will remain in full force and effect with respect to all of the Secured Obligations and the Lien of this Mortgage will not be extinguished until this Mortgage has been terminated pursuant to Section 7.02.

SECTION 7.02. *Release of Mortgaged Property.* (a) This Mortgage shall cease, terminate and thereafter be of no further force or effect (except as provided in Section 4.03) when (i) all the Commitments and the Swingline Commitment shall have expired or been terminated, (ii) all Letters of Credit shall have expired or been canceled or been secured with cash collateral in an amount and on terms satisfactory to the relevant LC Issuing Bank, and (iii) all outstanding Secured Obligations shall have been paid in full.

(b) At any time before the Security Interests terminate pursuant to subsection (a) of this Section, so long as an Enforcement Notice is not in effect, the Mortgagee shall, upon the written request of Vencor Operating, release any of the Collateral (but not all or substantially all of the Collateral) with the prior written consent of the Required Lenders.

(c) At any time before the Security Interests terminate pursuant to subsection (a) of this Section, unless an Enforcement Notice is in effect, (i) the Mortgagee shall release the Mortgaged Property (but not if as a result all or

substantially all the Collateral, as defined by the Security Agreement, is released) upon receiving from the Administrative Agent written instructions (A) directing the Mortgagee to release the Mortgaged Property, (B) stating that Vencor Operating has requested such release pursuant to Section 2.18 of the Credit Agreement and (C) stating that the Administrative Agent believes that Vencor Operating is entitled to such release pursuant to said Section 2.18 and (ii) the Security Interests in any assets sold or exchanged (but not in any Proceeds arising from such sale or exchange) by the Mortgagor (other than a sale or exchange to another Lien Grantor, as defined in the Security Agreement) in any transaction permitted by the proviso in Section 5(j) of the Security Agreement shall cease concurrently with such sale or exchange. No such release shall require the consent of any Secured Party and, in the case of any release pursuant to clause (i), the Mortgagee shall be fully protected in relying on such instructions from the Administrative Agent.

(d) The Security Interests in personal property created hereby will automatically terminate if such personal property is abandoned by the Mortgagor to Ventas Realty, Limited Partnership pursuant to Section 6.2 of the Master Lease.

(e) Upon any such termination of the Security Interests or release of the Mortgaged Property, the Mortgagee will, at the expense of the Mortgagee, execute and deliver to the Mortgagor such documents as the Mortgagor shall reasonably request to evidence the termination of the Security Interests or the release of the Mortgaged Property, as the case may be.

SECTION 7.03. *Notices.* All notices, approvals, requests, demands and other communications hereunder shall be given in accordance with Section 20 of the Security Agreement.

SECTION 7.04. *Amendments in Writing.* No provision of this Mortgage shall be modified, waived or terminated, and no consent to any departure by the Mortgagor from any provision of this Mortgage shall be effective, unless the same shall be by an instrument in writing, signed by the Mortgagor and the Mortgagee in accordance with Section 11.05 of the Credit Agreement with the consent of the Required Lenders (except that any change, waiver, discharge or termination of Section 7.02 shall require the consent of all the Lenders). Any such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

SECTION 7.05. *Severability.* All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate applicable law, and all the provisions of this Mortgage are intended to be subject to all mandatory provisions of applicable law and to be limited to the extent



necessary so that they will not render this Mortgage illegal, invalid, unenforceable or not entitled to be recorded, registered or filed under applicable law. If any provision of this Mortgage or the application thereof to any Person or circumstance shall, to any extent, be illegal, invalid or unenforceable, or cause this Mortgage not to be entitled to be recorded, registered or filed, the remaining provisions of this Mortgage or the application of such provision to other Persons or circumstances shall not be affected thereby, and each provision of this Mortgage shall be valid and be enforced to the fullest extent permitted under applicable law.

SECTION 7.06. *Binding Effect.* (a) The provisions of this Mortgage shall be binding upon and inure to the benefit of each of the parties hereto and their respective successors and assigns.

(b) To the fullest extent permitted under applicable law, the provisions of this Mortgage binding upon the Mortgagor shall be deemed to be covenants which run with the land.

(c) Nothing in this Section shall be construed to permit the Mortgagor to Transfer or grant a Lien upon the Mortgaged Property contrary to the provisions of the Credit Agreement.

SECTION 7.07. *Governing Law.* THIS MORTGAGE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED WITHOUT REGARD TO SUCH STATE'S CONFLICT OF LAW PRINCIPLES.

SECTION 7.08. *Counterparts.* This Agreement may be signed in any number of counterparts each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument.

SECTION 7.09. *Local Law Provisions.* **THE PROVISIONS SET FORTH IN APPENDIX A HERETO ARE INCORPORATED HEREIN BY REFERENCE AS IF FULLY SET FORTH HEREIN AND NOT IN AN APPENDIX.**

SECTION 7.10. *Further Assurances.* The Mortgagor covenants that it will, from time to time, at its expense, execute, deliver, file and record any statement, assignment, instrument, document, agreement or other paper and take any other action that from time to time may be necessary or desirable, or that the Mortgagee may request, in order to create, preserve, perfect, confirm or validate the Security Interests created hereby or to enable the Mortgagee to exercise and enforce any of its rights, powers and remedies hereunder. In addition, at any time a new or amended memorandum of lease is executed and delivered by the parties to the

Master Lease, the Mortgagor shall, at its expense, prepare, execute and deliver to the Mortgagee a modification to this instrument evidencing the new or amended memorandum of lease. To the extent permitted by applicable law, the Mortgagor authorizes the Mortgagee to execute and file any financing statements or continuation statements without the Mortgagor's signature appearing thereon. The Mortgagor shall pay the costs of, or incidental to, any recording or filing of any such modifications to this instrument or any financing or continuation statements in which it is named as the debtor, including, without limitation, the cost of any endorsement to the title policy insuring the lien of this instrument that confirms the validity and priority of such lien.

Property of Cook County Clerk's Office


# UNOFFICIAL COPY

0010335171

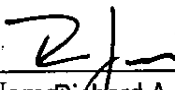
IN WITNESS WHEREOF, this Mortgage has been executed by the  
Mortgagor as of the day first set forth above.

**MORTGAGOR:**

VENCOR OPERATING, INC.

By:   
Name: Richard A. Lechleiter  
Title: Vice President - Finance, Corporate Controller & Treasurer

VENCOR, INC.

By:   
Name: Richard A. Lechleiter  
Title: Vice President - Finance, Corporate Controller & Treasurer

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

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

On this 30<sup>th</sup> day of March 2001 before me, the undersigned, a Notary Public in and of the State of New York, personally appeared Richard A. Ledwith, who, being by me duly sworn, did say that, (s)he is the Vice President of VENCOR OPERATING, INC., a Delaware corporation, that the instrument was signed and sealed on behalf of the corporation by authority of the corporation's Board of Directors; and that the foregoing officer acknowledged execution of the instrument to be the voluntary act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set by hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Manya Dugan  
Notary Public  
(Seal)

My commission expires: 12/1/03

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

On this 30<sup>th</sup> day of March 2001 before me, the undersigned, a Notary Public in and of the State of New York, personally appeared Richard A. Ledwith, who, being by me duly sworn, did say that, (s)he is the Vice President of VENCOR, INC., a Delaware corporation, that the instrument was signed and sealed on behalf of the corporation by authority of the corporation's Board of Directors; and that the foregoing officer acknowledged execution of the instrument to be the voluntary act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set by hand and affixed my official seal in the County and State aforesaid, the day and year first above written.

Manya Dugan  
Notary Public  
(Seal)

My commission expires: Jan. 31, 2003

Local Law Provisions  
(Illinois)

1. To the fullest extent permitted under applicable law, the Mortgagor shall not assert, and hereby irrevocably waives, any right or defense the Mortgagor may have under any statute or rule of law or equity now or hereafter in effect relating to (i) appraisal, valuation, homestead exemption, redemption (pursuant to Section 15-1601(b) of the Mortgage Foreclosure Act), marshaling of the Mortgaged Property or the other assets of the Mortgagor, or sale of the Mortgaged Property in any order or notice of deficiency or intention to accelerate any Secured Obligation; (ii) impairment of any right of subrogation or reimbursement; (iii) any requirement that at any time any action must be taken against any other Person, any portion of the Mortgaged Property or any other asset of the Mortgagor or any other Person; (iv) any provision barring or limiting the right of the Mortgagee to sell any Mortgaged Property after any other sale of any other Mortgaged Property or any other action against the Mortgagor or any other Person; (v) any provision barring or limiting the recovery by the Mortgagee of a deficiency after any sale of the Mortgaged Property; (vi) any other provision of applicable law (including any provision relating to decedents' estates) which might defeat, limit or adversely affect any right or remedy of the Mortgagee or the holders of the Secured Obligations under or with respect to this Mortgage or the other Collateral Documents; or (vii) the right of the Mortgagee to foreclose this Mortgage in its own name as Administrative Agent on behalf of all of the Secured Parties by judicial action as the real party in interest without the necessity of joining any other Secured Party. Mortgagor acknowledges that the Mortgaged Property do not constitute agricultural real estate, as said term is defined in Section 15-1201 of the Mortgage Foreclosure Act or residential real estate as defined in Section 15-1219 of the Act. Mortgagor hereby waives any and all right of redemption pursuant to Section 15-1601(b) of the Mortgage Foreclosure Act.

2. If an Event of Default has occurred and is continuing, the Mortgagee is hereby authorized and empowered, at its option, and without affecting the lien hereby created or the priority of said lien or any right of the Mortgagee hereunder, to (a) apply for the appointment of a receiver, supervisor, trustee, liquidator, conservator or other custodian (a "**Receiver**") of the Mortgaged Property pursuant to Section 15-1702(a) of the Mortgage Foreclosure Act, who shall be appointed, to the fullest extent permitted by law, as a matter of right, without notice to the Mortgagor, and without regard to, or the necessity to disprove, the adequacy of the security for the Secured Obligations or the solvency

of Vencor Operating or any guarantor, and the Mortgagor hereby, to the full extent permitted by applicable law, irrevocably waives such necessity and consents to such appointment, without notice, said appointee to be vested with the fullest powers permitted under applicable law (including Section 15-1703 of the Mortgage Foreclosure Act), including to the extent permitted under applicable law and (b) take any other action, or pursue any other remedy or right, as the Mortgagee may have under applicable law, including all powers and duties provided in Section 15-1703 of the Mortgage Foreclosure Act, and the Mortgagor does hereby grant the same to the Mortgagee.

3. Waiver of Jury Trial. MORTGAGOR AND MORTGAGEE EXPRESSLY AND VOLUNTARILY WAIVE ANY AND ALL RIGHTS, WHETHER ARISING UNDER THE UNITED STATES OR ANY STATE CONSTITUTION, ANY RULES OF CIVIL PROCEDURE, COMMON LAW OR OTHERWISE, TO DEMAND A TRIAL BY JURY IN ANY ACTION, LAWSUIT, PROCEEDING, COUNTERCLAIM OR ANY OTHER LITIGATION PROCEDURE BASED UPON, OR ARISING OUT OF, THIS MORTGAGE OR THE LOAN DOCUMENTS, ANY AGREEMENTS ARISING UNDER OR RELATING TO THIS MORTGAGE, ANY COLLATERAL SECURING THE OBLIGATIONS, OR THE DEALINGS OR RELATIONSHIPS BETWEEN OR AMONG MORTGAGOR AND MORTGAGEE, OR ANY OF THEM. NEITHER MORTGAGOR NOR MORTGAGEE, INCLUDING ANY ASSIGNEE OR SUCCESSOR OF MORTGAGOR OR MORTGAGEE, SHALL SEEK A JURY TRIAL IN ANY SUCH ACTION. NEITHER MORTGAGOR NOR MORTGAGEE SHALL SEEK TO CONSOLIDATE ANY SUCH ACTION WITH ANY OTHER ACTION WHEN A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED. THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER MORTGAGOR NOR MORTGAGEE HAS IN ANY WAY AGREED WITH OR REPRESENTED TO THE OTHER THAT THE PROVISIONS OF THIS PARAGRAPH WILL NOT BE FULLY ENFORCED IN ALL INSTANCES.

4. Business Loans. Mortgagor certifies that the proceeds of the Notes secured by this Mortgage will be held for the purposes specified in 815 ILCS 205/4(1)(c), and that the principal obligation secured hereby constitutes a "business loan" within the definition and purview of that Section.

5. Section 5.12 is hereby amended to add the phrase "in accordance with subsection (b)(5) of Section 15-1302 of The Illinois Mortgage Foreclosure Law, 735 ILCS 5/15 - 1101 et seq."

6. Section 7.01 is hereby replaced by the following:

Revolving Credit. This Mortgage is given to secure a "Revolving Credit" loan as defined in 815 ILCS 205/4.1 and secures not only the indebtedness from the Mortgagor to the Mortgagee existing on the date hereof but all such future advances, whether such advances are obligatory or to be made at the option of the Mortgagee, or otherwise, as are made within twenty years from the date of this Mortgage, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness secured by this Mortgage may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed a maximum principal amount of \$120,000,000.00, plus interest thereon, any disbursements made by Mortgagee for the payment of taxes, special assessments, or insurance on the above described real estate, with interest on such disbursements.

EXHIBIT A

**DESCRIPTION OF THE MASTER LEASE**

Facility No. 637: 2544 West Montrose Avenue, Chicago, Cook County

Master Lease Agreement General Terms and Conditions dated as of April 30, 1998, a memorandum of which dated April 30, 1998 was recorded in Cook County, Illinois, on August 27, 1998, as Document No. 98766159, , as amended and restated by that certain Amended and Restated Master Lease Agreement No. # dated as of April 10, 2001 among Ventas Realty, Limited Partnership, as Lessor, and Vencor, Inc. and Vencor Operating, Inc., as Tenant, an amended and restated or new memorandum of which will be recorded immediately prior to the recordation of this Mortgage.

**DESCRIPTION OF THE LAND**

See attached.

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\* The number of the Master Lease appears on the cover hereof.



# UNOFFICIAL COPY

Facility # 4637

IL

## THE LAND

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### PARCEL 1:

LOTS 16 TO 25 IN BLOCK 16 IN NORTHWEST LAND ASSOCIATION SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTHEAST 1/4 (EXCEPT THE EAST 33 FEET LYING SOUTH OF THE NORTHWESTERN ELEVATED RAILROAD CO'S RIGHT OF WAY) OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 2:

LOTS 16 TO 25 IN BLOCK 17 IN NORTHWEST LAND ASSOCIATION SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTHEAST 1/4 (EXCEPT THE EAST 33 FEET LYING SOUTH OF THE NORTHWESTERN ELEVATED RAILROAD CO'S RIGHT OF WAY) OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 3:

LOTS 5, 7, 8, 9, 10, 11, 12, 13, 14 AND 15 IN A. S. TERRILL'S SUBDIVISION OF BLOCK 6 IN SUPERIOR COURT PARTITION OF THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

#4637 ILLINOIS  
2544 Montrose Avenue, Chicago  
PIN: 13-13-232-027/028/029/032  
13-13-231-030/031/032/033  
13-13-401-010/012  
13-13-401-041/005/006

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## EXHIBIT A

### DESCRIPTION OF THE MASTER LEASE

Facility No. 690: 365 East North Avenue, Northlake, Cook County

Master Lease Agreement General Terms and Conditions dated as of April 30, 1998, a memorandum of which dated April 30, 1998 was recorded in Cook County, Illinois, on August 27, 1998, as Document No. 98766159 and Document No. 98766161, as amended and restated by that certain Amended and Restated Master Lease Agreement No. #\* dated as of April 20, 2001 among Ventas Realty, Limited Partnership, as Lessor, and Vencor, Inc. and Vencor Operating, Inc., as Tenant, an amended and restated or new memorandum of which will be recorded immediately prior to the recordation of this Mortgage.

### DESCRIPTION OF THE LAND

See attached.

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\* The number of the Master Lease appears on the cover hereof.

IL

## THE LAND

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LOTS 5, 6, 7, 8 (EXCEPT THE EAST 26 FEET THEREOF) IN BLOCK 1; ALSO LOTS 1, 2, 3, 4 AND 15 IN BLOCK 2, IN TOWN MANOR, A SUBDIVISION OF THE NORTH 100 ACRES OF THE NORTH EAST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

## PARCEL 2:

EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 OVER THE FOLLOWING:

A STRIP OF LAND OF VARIOUS WIDTHS OVER THAT PART OF LOT 14 IN BLOCK 2 IN TOWN MANOR, A SUBDIVISION OF THE NORTH 100 ACRES OF THE NORTH EAST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH WEST CORNER OF SAID LOT 14; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE WEST LINE OF SAID LOT 133.57 FEET TO THE NORTH WEST CORNER OF SAID LOT; THENCE NORTH 83 DEGREES 15 MINUTES 38 SECONDS EAST ALONG THE NORTH LINE OF SAID LOT 42.02 FEET TO A LINE 42.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID LOT; THENCE SOUTH 0 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID PARALLEL LINE A DISTANCE OF 32.00 FEET; THENCE SOUTH 35 DEGREES 19 MINUTES 49 SECONDS WEST 20.76 FEET TO A POINT ON A LINE 30.00 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID LOT; THENCE SOUTH 0 DEGREES 00 MINUTES SECONDS EAST ALONG SAID PARALLEL LINE A DISTANCE OF 85.00 FEET TO THE POINT OF INTERSECTION WITH THE SOUTH LINE OF SAID LOT; THENCE SOUTH 88 DEGREES 15 MINUTES 37 SECONDS WEST ALONG THE SOUTH LINE OF SAID LOT 30.01 FEET TO THE POINT OF BEGINNING OF THE STRIP OF LAND HEREIN DESCRIBED, IN COOK COUNTY, ILLINOIS.

## PARCEL 3:

EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 1 OVER THE FOLLOWING:

THE NORTH 30.00 FEET OF LOT 9 IN BLOCK 1, (AS MEASURED PERPENDICULARLY TO THE NORTH LINE OF SAID LOT) IN TOWN MANOR, A SUBDIVISION OF THE NORTH 100 ACRES OF THE NORTH EAST 1/4 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

#4690 ILLINOIS  
365 East North Avenue, Northlake  
PIN: 15-05-211-006/007/008/005  
15-05-212-001/002/003/004/008

**EXHIBIT A**

**DESCRIPTION OF THE MASTER LEASE**

Facility No. 671: 6130 North Sheridan Road, Chicago, Cook County

Master Lease Agreement General Terms and Conditions dated as of April 30, 1998, a memorandum of which dated April 30, 1998 was recorded in Cook County, Illinois, August 27, 1998, as Document Nos. 98413181, 98766159 and 98766161, as amended and restated by that certain Amended and Restated Master Lease Agreement No. #\* dated as of April 20, 2001 among Ventas Realty, Limited Partnership, as Lessor, and Vencor, Inc. and Vencor Operating, Inc., as Tenant, an amended and restated or new memorandum of which will be recorded immediately prior to the recordation of this Mortgage.

**DESCRIPTION OF THE LAND**

See attached.

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\* The number of the Master Lease appears on the cover hereof.

# UNOFFICIAL COPY

Facility # 4671

IL

THE LAND

0010335171 Page 52 of 52

PARCEL 1:

LOTS 21, 23, 24 AND 25 IN BLOCK 10 OF COCHRAN'S SECOND ADDITION TO EDGEWATER IN THE EAST FRACTIONAL 1/2 OF SECTION 5, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

LOTS 4, 5, 6, 7, 8, 9, 10 AND THE NORTH 22 FEET OF LOT 11 IN BLOCK 10 IN COCHRAN'S SECOND ADDITION TO EDGEWATER IN THE EAST FRACTIONAL 1/2 OF SECTION 5, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS.

#4671

ILLINOIS

6130 North Sheridan Road, Chicago

PIN: 14-05-210-015/016/022/008/006/

005/004

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