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Eugene "Gene" Moore Fee: $144.00
Cook County Recorder of Deeds
Date: 11/17/2003 02:33 PM Pg: 1 of 61

NCS 50110 3064 AP DEC

Freddie Mac Loan No. 002731738

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Amy L. DuMond, Esq.
Oppenheimer Wolff & Donnelly LLP
Plaza VII, Suite 3300
45 S. Seventh Street
Minneapolis, MN 55402

ASSUMPTION AGREEMENT
REVISED 5/2003

THIS ASSUMPTION AGREEMENT is made effective as of the 30th day of October, 2003, by and among SPTBROOK PROPERTIES TRUST, a Maryland real estate trust ("Original Borrower"); BROOKDALE LIVING COMMUNITIES OF ILLINOIS-2960, LLC, a Delaware limited liability company ("New Borrower"); the FEDERAL HOME LOAN MORTGAGE CORPORATION ("Noteholder"); and BROOKDALE LIVING COMMUNITIES, INC., a Delaware corporation ("Original Guarantor").

RECITALS

A. Original Borrower obtained a mortgage loan (the "Loan") from GLASER FINANCIAL GROUP, INC., a Minnesota corporation ("Original Lender"), which loan is secured by certain Land and Improvements (the "Property") located in the City of Chicago, County of Cook, Illinois. The Land is more particularly described in Exhibit A, attached to this Agreement.

B. Original Borrower executed that certain Multifamily Note evidencing the Loan, dated October 30, 2000 in the original principal amount of Sixty-Three Million Eight Hundred Ninety Thousand and No/100ths Dollars (US $63,890,000.00) payable to Original Lender (the "Note"). The Note was endorsed and assigned to Noteholder by Original Lender by that certain Allonge to Multifamily Note dated October 30, 2000. The Original

Guarantor guaranteed payment of certain amounts due under the Note by executing that certain Limited Guaranty dated October 30, 2000 (the "Original Guaranty").

C. To secure repayment of the Loan, Original Borrower executed and delivered to Original Lender, a certain Multifamily Mortgage, Assignment of Rents, and Security Agreement dated October 30, 2000, and recorded in the Office of the County Recorder, Cook County, Illinois (the "Land Records"), on November 3, 2000 as Document No. 00870096 (the "Security Instrument"). The Security Instrument was assigned by Original Lender to the Noteholder by that certain Assignment of Security Instrument dated October 30, 2000 and recorded in the Land Records on November 3, 2000 as Document No. 00870101. Any capitalized terms used in this Agreement and not defined herein shall have the meaning ascribed to them in the Security Instrument.

D. As additional security for the Loan, Original Borrower and Original Lender entered into the Cross-Collateralization Agreement, and Amendment to Multifamily Mortgage/Deed of Trust, Assignment of Rents and Security Agreement (Fee Mortgages), dated October 30, 2000, and recorded in the Land Records on November 3, 2000 as Document No. 00870097 (the "Cross-Collateralization Agreement"). The Cross-Collateralization Agreement was assigned by Original Lender to the Noteholder by that certain Assignment of Cross-Collateralization Agreement (Fee Mortgages), dated October 30, 2000 and recorded in the Land Records on November 3, 2000 as Document No. 00870102.

E. Original Borrower demised the Property to New Borrower pursuant to that certain Lease, dated as of October 30, 2000, between Old Borrower as lessor/landlord and New Borrower as lessee/tenant, a memorandum of which was recorded in the Land Records on November 3, 2000, as Document No. 00870098 (the "Operating Lease").

F. New Borrower executed in favor of Original Lender that certain Mortgage Guaranty Agreement dated October 30, 2000 (the "Mortgage Guaranty") guaranteeing the payment and performance of Original Borrower's obligations under the Note.

G. In order to secure New Borrower's obligations under the Mortgage Guaranty, New Borrower executed and delivered to Trustee for the benefit of Original Lender, a certain Multifamily Leasehold Mortgage, Assignment of Rents and Security Agreement, dated October 30, 2000, encumbering the leasehold estate demised to New Borrower under the Operating Lease and certain other personalty of New Borrower, recorded in the Land Records on November 3, 2000, as Document No. 00870099 (the "Leasehold Mortgage"). The Leasehold Mortgage was assigned by Original Lender to the Noteholder by that certain Assignment of Security Instrument dated October 30, 2000 and recorded in the Land Records on November 3, 2000 as Document No. 00870103.

H. As additional security for the Mortgage Guaranty, Original Lender, New Borrower, Brookdale Living Communities of Washington-PP, LLC, a Delaware limited liability company ("Brookdale WA"), Brookdale Living Communities of New York-GB, LLC, a Delaware limited liability company ("Brookdale NY"), and Brookdale Living Communities of Arizona-EM, LLC, a Delaware limited liability company ("Brookdale AZ"), entered into the Cross-Collateralization Agreement, and Amendment to Multifamily Leasehold Mortgage/Deed of Trust, Assignment of Rents and Security Agreement (Leasehold Mortgages), dated October 30, 2000, and recorded in the Land Records on November 3, 2000 as Document No. 00870100 (the "Leasehold Cross-Collateralization Agreement). The Leasehold Cross-Collateralization Agreement was assigned by Original Lender to the Noteholder by that certain Assignment of Cross-Collateralization Agreement (Leasehold Mortgages), dated October 30, 2000 and recorded in the Land Records on November 3, 2000 as Document No. 00870104.

I. The Note, Security Instrument and any other document executed by Original Borrower in connection with the Loan that will be assumed by New Borrower, all of which are listed on Exhibit B to this Agreement, are referred to collectively in this Agreement as the "Loan Documents".

J. As evidenced above, Original Lender endorsed the Note to the order of the Noteholder and sold, assigned and transferred all right, title and interest of the Original Lender in and to the Security Instrument, Cross-Collateralization Agreement, the Leasehold Mortgage, Leasehold Cross-Collateralization Agreement and the Loan Documents to the Noteholder. The Noteholder is now the owner and holder of the Note and the Loan is serviced by Original Lender.

K. The Operating Lease granted New Borrower the option to purchase fee simple title to the Property and New Borrower has elected to exercise this option and to acquire fee simple title to the Property (the "Transfer") and to terminate the Operating Lease.

L. New Borrower has agreed to assume all of Original Borrower's rights, obligations, and liabilities created or arising under the Loan Documents, with certain modifications, if any, as set forth in Exhibit C to this Agreement (the "Assumption").

M. Original Guarantor has agreed to remain liable and to amend, restate and reaffirm the Original Guaranty with certain modifications described in Exhibit E to this Agreement.

N. Subject to the full satisfaction of all conditions set forth below, the Noteholder has agreed to consent to the Transfer, the cancellation of the Operating Lease and New Borrower's Assumption.

O. Original Borrower desires to be released by the Noteholder from any and all obligations and liabilities under the terms and provisions of the Loan Documents, and Noteholder has

agreed to release Original Borrower from further liability (except as otherwise provided in this Agreement).

NOW, THEREFORE, in consideration of these premises, the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Assumption of Obligations. New Borrower covenants, promises and agrees that New Borrower, jointly and severally if more than one, will unconditionally assume and be bound by all terms, provisions, and covenants of the Note, the Security Instrument, the Cross-Collateralization Agreement and the other Loan Documents set forth in Exhibit B to this Agreement, as if New Borrower had been the original maker of the Loan Documents. From and after the date hereof, New Borrower will pay all sums to be paid and perform each and every obligation to be performed by Original Borrower under and in accordance with the terms and conditions of the Loan Documents.

2. Affirmation by New Borrower. New Borrower agrees that the Loan Documents set forth in Exhibit B to this Agreement are and will be and remain in full force and effect, enforceable against New Borrower in accordance with their terms, except as modified by Exhibit C to this Agreement. The Property will remain subject to the lien, charge and encumbrance of the Security Instrument and the Cross-Collateralization Agreement. Nothing contained in this Agreement or done pursuant to this Agreement will affect or be construed to affect the lien, charge, and encumbrance of the Security Instrument or the priority of the Security Instrument over other liens, charges and encumbrances. Nothing contained in this Agreement or done pursuant to this Agreement will release or be construed to release or affect the liability of any party or parties who may now or after the date of this Agreement be liable under or on account of the Note, the Security Instrument and/or the Cross-Collateralization Agreement, except as expressly provided in this Agreement. New Borrower will be liable for the payment of all sums and the performance of every obligation required under the Loan Documents to the extent set forth in the Loan Documents as modified by this Agreement.

3. Subordination of Rights of Original Borrower and New Borrower. Any indebtedness of Original Borrower to New Borrower, or of New Borrower to Original Borrower, now or existing after the date of this Agreement, together with any interest on such debt, is hereby subordinated to any indebtedness of Original Borrower or New Borrower to the Noteholder under the Loan Documents. Any collection or receipts with respect to any such indebtedness of Original Borrower to New Borrower, or of New Borrower to Original Borrower, will be collected, enforced and received by New Borrower or Original Borrower (as applicable) in trust for the benefit of the Noteholder, and will be paid over to the Noteholder on account of the indebtedness of Original Borrower and New Borrower to the Noteholder, but without impairing or affecting in any manner the liability of Original Borrower or New Borrower under the other provisions of the Loan Documents and this

Agreement. However, until the occurrence of an Event of Default under the Security Instrument, Original Borrower or New Borrower (as applicable) will be entitled to retain for its own account all payments made on account of the principal of and interest on any such indebtedness; provided no such payment is made more than ten (10) days in advance of the due date.

4. Modification of Note and Security Instrument. New Borrower and Noteholder agree that the provisions of the Loan Documents are modified as set forth on Exhibit C to this Agreement.

5. Replacement Reserve. The Replacement Reserve Account previously established by Original Borrower with Original Lender pursuant to the terms and provisions of the Replacement Reserve Agreement dated October 30, 2000 (the "Replacement Reserve Agreement"), entered into between the Original Borrower, New Borrower and the Original Lender, shall be transferred to New Borrower on the Original Lender's records. The current balance of the Replacement Reserve Account being transferred to New Borrower on Original Lender's records is Eighty-Three Thousand Five Hundred Fifty-Four and 35/100ths Dollars ($83,554.35). The New Borrower and Noteholder agree that commencing on the first day of the calendar month following the Transfer and pursuant to the terms of the Replacement Reserve Agreement, the New Borrower shall commence making monthly replacement reserve deposits into the Replacement Reserve Account in the amount of Five Thousand Six Hundred Eighty-Three and 00/100 Dollars ($5,683.00) per month until the Loan is paid is paid in full. Original Borrower acknowledges and agrees that by executing this Agreement it relinquishes all right, title and interest it has or may have in the Replacement Reserve Account.

6. Repairs. No Repair Escrow is required. Original Borrower acknowledges and agrees that Noteholder is not holding any funds pursuant to the Repair Escrow, if any, executed by Original Borrower.

7. Tax and Insurance Escrow. New Borrower, Old Borrower and Noteholder agree that the balance of any escrow for tax, insurance and other Imposition Deposits (as defined in the Security Instrument) (collectively the "Imposition Account") previously established by Original Borrower with Original Lender pursuant to the terms and provisions of the Security Instrument shall be transferred to New Borrower on the Original Lender's records. The current balance of the Imposition Account being transferred to New Borrower on Servicer's records is One Hundred Sixty Thousand Forty-Three and 69/100ths Dollars ($160,043.69). From and after the first day of the calendar month immediately following the Transfer and pursuant to the Security Instrument, New Borrower will make monthly payments required under the Loan Documents for Impositions (as defined in the Security Instrument). By execution of this Agreement, Original Borrower acknowledges and agrees that it relinquishes any right, title or interest it has or may have in any escrow account held by Original Lender in connection with the Property.

8. Guaranty Requirements. A new Guaranty is not required. Instead, Original Borrower shall execute and deliver the Amended Guaranty (as defined below) to Noteholder.

9. Ratification of Original Guaranty. By executing this Agreement, Original Guarantor:

   a. Ratifies the Original Guaranty under which it guaranteed payments of certain amounts under the Loan Documents, as more particularly set forth in the Original Guaranty modified and amended as set forth in Exhibit E attached hereto and incorporated herein by this reference (the "Amended Guaranty");

   b. Acknowledges that the Original Guaranty (as modified as set forth in Exhibit E) remains in full force and effect without any exoneration and agrees to contemporaneously hereunder execute and deliver the Amended Guaranty to Noteholder; and

   c. Agrees that the Loan Documents as assumed by New Borrower and modified by this Agreement will continue to be guaranteed by the Original Guarantor as and to the full extent provided in the Original Guaranty as modified as set forth in Exhibit E attached hereto.

10. Representations. Original Borrower represents and warrants to Noteholder:

   a. As of the date of this Agreement, the amount of the unpaid indebtedness under the Note is Sixty-Two Million Three Hundred Thirty-Three Thousand Four Hundred Thirty-Eight and 04/100ths Dollars ($62,333,438.04).

   b. Interest at the rate set forth in the Note has been paid to Noteholder in full through and until September 30, 2003.

   c. All of the representations and warranties in the Loan Documents are true as of the date on which Original Borrower executes this Agreement.

   d. No Event of Default (or event which, with the giving of notice or the passage of time or both, would be an Event of Default) has occurred or is continuing under the Security Instrument.

   e. Original Borrower has no claims, offsets, defenses, or counterclaims of any kind to its performance under, or Noteholder's enforcement of, the Note and the other Loan Documents; and to the extent any such counterclaims, setoffs, defenses or other causes of action may exist, whether known or unknown, Original Borrower waives all such items. Original Borrower acknowledges that all of Noteholder's actions in connection with the Loan have been in compliance with the terms of the applicable Loan Documents, and Original Borrower acknowledges and agrees that Noteholder

has not breached or failed to perform any duty or obligation that Noteholder may owe Original Borrower.

f. There are no suits or actions threatened or pending against Original Borrower which affect the enforcement or validity of the Note, the Security Instrument and/or the Loan Documents.

11. Additional Transfers. Notwithstanding the Noteholder's consent to the Transfer of the Property to New Borrower, New Borrower understands and agrees that such consent will in no way limit or operate as a waiver of the Noteholder's continuing rights under Section 21 of the Security Instrument as modified by Exhibit C.

12. Continuing Obligations. New Borrower will execute, acknowledge and deliver (i) a UCC Financing Statement in such form acceptable to Noteholder naming the Borrower as debtor and the Lender as secured party which will be filed in the Office of the Secretary of State of Delaware, and (ii) any other documents as Noteholder or Original Lender may require to document the Assumption described in this Agreement and to more fully effectuate the provisions of this Agreement. The failure of New Borrower to comply with the additional obligations contained in this Section will constitute an Event of Default under the Security Instrument, and the Noteholder will be entitled to exercise all remedies available to it under the terms of the Loan Documents.

13. Additional Obligations.

a. To induce the Noteholder to consent to New Borrower's Assumption, in addition to the covenants and agreements set forth in the Loan Documents, New Borrower agrees that it will comply with the Additional Obligations set forth on Exhibit F to this Agreement, if applicable.

b. The failure of New Borrower to comply with the Additional Obligations, if applicable, will constitute an Event of Default under the Security Instrument, and the Noteholder will be entitled to exercise all remedies available to it under the terms of the Loan Documents.

14. Release of Original Borrower; Rights of Noteholder.

a) From and after the date hereof and subject to compliance with the terms and conditions of this Agreement, Original Borrower is released from liability under the terms and provisions of the Loan Documents. If any material element of Original Borrower's representations and warranties are materially false or misleading, this release will be canceled and Original Borrower will remain obligated under the Loan Documents as though there had been no release.

b) If at any time all or any part of any payment by Original Borrower which has been applied by the Noteholder to payment of the Loan is or must be rescinded, repaid or returned by the Noteholder for any reason whatsoever (including, without limitation, the application of any bankruptcy, insolvency or other law), for purposes of this Agreement, to the extent that such payment is or must be rescinded, repaid or returned, such payment will be deemed to have continued to be due and payable, notwithstanding such application by the Noteholder and this Agreement will continue to be effective as to such payment as though such application by the Noteholder had not been made. Original Borrower and New Borrower will each remain liable to the Noteholder for the amount so rescinded, repaid, or returned to the same extent as if such amount had never originally been received by the Noteholder, notwithstanding any cancellation of the Note, release or satisfaction of the Security Instrument, or the cancellation of any other Loan Document.

15. Release of New Borrower under Mortgage Guaranty.

a. From and after the date hereof and subject to compliance with the terms and conditions of this Agreement, New Borrower is released from liability under the terms and provisions of the Mortgage Guaranty. If any material element of New Borrower's representations and warranties are materially false or misleading, this release will be canceled and New Borrower will remain obligated under the Mortgage Guaranty as though there had been no release.

b. If at any time all or any part of the Transfer of the assumption of any obligations by New Borrower under this Agreement is cancelled, terminated, set aside or rescinded for any reason whatsoever (including, without limitation, the application of any bankruptcy, insolvency or other law), for purposes of this Agreement, the Mortgage Guaranty will be deemed to be reinstated and in full force and effect. New Borrower will remain liable to the Noteholder for the full amount due, if any, under the Mortgage Guaranty to the same extent as if the Mortgage Guaranty had never been cancelled pursuant to this Agreement, notwithstanding any cancellation of the Note, release or satisfaction of the Security Instrument, the Leasehold Deed of Trust or the cancellation of any other Loan Document.

16. Expenses. New Borrower's execution of this Agreement will constitute New Borrower's agreement to pay all expenses incurred by the Noteholder in connection with this Assumption, including without limitation the payment of any title endorsement costs, legal costs (including in-house legal costs) attorney's fees, and assumption fees required by the Noteholder.

17. Miscellaneous.

a. This Agreement will be binding upon and will inure to the benefit of the parties to the Agreement and their respective heirs, successors and permitted assigns.

b. Except as expressly modified by this Agreement, the Note, the Security Instrument and all other Loan Documents will be unchanged and remain in full force and effect, and are hereby expressly approved, ratified and confirmed. No provision of this Agreement that is held to be inoperative, unenforceable or invalid will affect the remaining provisions, and to this end all provisions of this Agreement are declared to be severable.

c. Time is of the essence of this Agreement.

d. This Agreement may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

e. This Agreement will be construed in accordance with the laws of the jurisdiction in which the Property is located.

f. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same document.

g. All notices given pursuant to the Agreement must be in writing and will be effectively given if personally delivered or, if mailed, postage prepaid, certified or registered mail, return receipt requested, to the addresses of the parties set forth below or to such other address as any party subsequently may designate in writing.

18. Executed Originals. An executed original of this Agreement will be (i) attached permanently to the Note as an amendment to the Note, and (ii) recorded in the Land Records as a modification to the Security Instrument.

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

[X] Exhibit A — Legal Description of the Land (required).

[X] Exhibit B — List of Loan Documents (required).

[X] Exhibit C — Modifications to Loan Documents, (required).

[X] Exhibit D — Amended and Restated Cross-Collateralization Agreement.

Freddie Mac Loan No. 002731738

[X] Exhibit E Amended and Restated Limited Guaranty.

[X] Exhibit F Additional Obligations of New Borrower.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date written above.

(*Signature Pages to Follow*)

ORIGINAL BORROWER:

SPTBROOK PROPERTIES TRUST, a Maryland real estate investment trust

By: _____
Name: David B. Fenkell
Title: President

Address for Notice to Original Borrower: 711 North York Road, Second Floor
Willow Grove, Pennsylvania 19090
Attention: David B. Fenkell

State of PA, County of MONTGOMERY, ss:

On the 28th day of OCTOBER in the year 2003 before me, the, undersigned, personally appeared David B. Fenkell personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

_____
Notary Public JOSEPH HILTWINE
Commission Exp 6/20/07

Freddie Mac Loan No. 002731738

NEW BORROWER:

BROOKDALE LIVING COMMUNITIES OF ILLINOIS-2960, LLC, a Delaware limited liability company

By: R. Stanley Y
Name: R. Stanley Young
Title: Vice President and Treasurer

Address for Notice to New Borrower: c/o Brookdale Living Communities, Inc.
330 North Wabash Avenue, Suite 1400
Chicago, Illinois 60611

STATE OF Illinois)
) SS
COUNTY OF Cook)

On this 30th day of September, 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared R. Stanley Young, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person who executed the within instrument as the Vice President and Treasurer of BROOKDALE LIVING COMMUNITIES OF ILLINOIS-2960, LLC, a Delaware limited liability company, the company that executed the within instrument, and acknowledged to me that such company executed the same.

WITNESS my hand and official seal.

OFFICIAL SEAL
CHERYL MILLER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5-31-2006

Signature: Cheryl Miller
Name: Cheryl Miller
My Commission Expires: 5-31-2006

Freddie Mac Loan No. 002731738

CONSENTED TO BY NOTEHOLDER:

FEDERAL HOME LOAN MORTGAGE CORPORATION, a corporation organized and existing under the laws of the United States

By: _____

Name: Bryan Dickson

Its: Assistant Secretary/Treasurer

Address for Notice to Noteholder: 8200 Jones Branch Drive
McLean, Virginia 22102

STATE OF Virginia)
) SS
COUNTY OF Fairfax)

On this 31st day of October, 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared Bryan Dickson, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person who executed the within instrument as the Assistant Secretary/Treasurer of the FEDERAL HOME LOAN MORTGAGE CORPORATION, a corporation organized and existing under the laws of the United States, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

Signature: Catherine M. Hinton
Name: Catherine M. Hinton
My Commission Expires: 5-31-2004

OFFICIAL SEAL
CATHERINE HINTON
Virginia
Commission Expires
MAY 31, 2004

ASSUMPTION AGREEMENT
Multifamily - For Use with Electronic Mortgage Documents (5/2003)

Freddie Mac Loan No. 002731738

ORIGINAL GUARANTOR:

BROOKDALE LIVING COMMUNITIES, INC., a Delaware corporation

By: R. Stanley Y
Name: R. Stanley Young
Its: Executive Vice President / Chief Financial Officer / Treasurer

Address for Notice to Guarantor: 330 North Wabash Avenue, Suite 1400
Chicago, Illinois 60611

STATE OF Illinois)
) SS
COUNTY OF Cook)

On this 30th day of September, 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared R. Stanley Young, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person who executed the within instrument as the Executive Vice President / Chief Financial Officer / Treasurer of BROOKDALE LIVING COMMUNITIES, INC., a Delaware corporation, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

OFFICIAL SEAL
CHERYL MILLER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5-31-2006

Signature: Cheryl Miller
Name: Cheryl Miller
My Commission Expires: 5-31-2006

Freddie Mac Loan No. 002731738

EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

THE NORTH 50 FEET OF THE SOUTH 105 FEET OF THE EAST 180 FEET OF THAT PART OF THE LOT 8 LYING WEST OF THE WEST BOUNDARY LINE OF LINCOLN PARK, AS ESTABLISHED BY DECREE OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS ENTERED OCTOBER 31, 1904, IN CASE GENERAL NUMBER 256886, ALL IN THE COUNTY CLERK'S DIVISION OF LOTS 2, 3 AND 4 AND THE SOUTH 33 FEET OF LOT 1 IN THE ASSESSOR'S DIVISION OF LOTS 1 ONE 2 IN THE CITY OF CHICAGO SUBDIVISION OF THE EAST FRACTIONAL HALF OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, MEANING AND INTENDING TO DESCRIBE A TRACT OF LAND BOUNDED AS FOLLOWS:

BEGINNING ON THE WEST BOUNDARY LINE OF LINCOLN PARK ESTABLISHED AS AFORESAID, AT A POINT 55 FEET NORTH OF THE NORTH LINE OF OAKDALE AVENUE; THENCE NORTH 50 FEET; THENCE WEST 180 FEET; THENCE SOUTH 50 FEET; THENCE EAST 180 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF LOT 2 IN ASSESSOR'S DIVISION OF LOTS 1 AND 2 IN THE CITY OF CHICAGO SUBDIVISION OF THE EAST FRACTIONAL HALF OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST BOUNDARY LINE OF LINCOLN PARK, AS ESTABLISHED BY DECREE OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS ENTERED OCTOBER 31, 1904 IN CASE 256886, SAID POINT OF BEGINNING BEING 80 FEET DUE SOUTH FROM THE SOUTH LINE OF WELLINGTON STREET EXTENDED EAST; THENCE RUNNING WEST 200 FEET ALONG A LINE AT ALL POINTS 80 FEET DUE SOUTH FROM THE SOUTH LINE OF WELLINGTON STREET EXTENDED EAST; RUNNING THENCE SOUTHERLY ON A LINE AT ALL POINTS 200 FEET WEST OF SAID WEST BOUNDARY LINE OF LINCOLN PARK TO A POINT ON THE NORTH LINE OF THE ALLEY AS DEDICATED BY INSTRUMENT RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS ON MARCH 16, 1915 AS DOCUMENT 5594071; RUNNING THENCE EAST ON THE NORTH LINE OF SAID ALLEY TO A POINT 180 FEET WEST OF SAID WEST BOUNDARY LINE OF LINCOLN PARK; RUNNING THENCE SOUTHERLY ON THE EAST LINE OF SAID ALLEY TO A POINT 105 FEET

NORTH OF THE NORTH LINE OF OAKDALE AVENUE, SAID POINT BEING ON THE NORTH LINE OF THE PREMISES CONVEYED TO FRANK A. HECHT, CLARA K. HECHT AND FRANK A. HECHT, JR. BY DEED DATED NOVEMBER 16, 1917 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS AS DOCUMENT 6231480; RUNNING THENCE EAST ON A LINE PARALLEL WITH THE NORTH LINE OF OAKDALE AVENUE AND BEING THE NORTH LINE OF THE PREMISES CONVEYED TO FRANK A. HECHT, CLARA K. HECHT AND FRANK A. HECHT, JR., 180 FEET TO SAID WEST BOUNDARY LINE OF LINCOLN PARK AND RUNNING THENCE NORTH ALONG SAID WEST BOUNDARY LINE OF LINCOLN PARK TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THAT PART OF LOTS 2 AND 3 IN THE ASSESSOR'S DIVISION OF LOTS 1 AND 2 IN A SUBDIVISION BY THE CITY OF CHICAGO OF THE EAST FRACTIONAL HALF OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND OF THE ACCRETIONS EAST OF AND ADJOINING SAID PREMISES DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST BOUNDARY LINE OF LINCOLN PARK, AS ESTABLISHED BY DECREE OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS, ENTERED OCTOBER 31, 1904 IN CASE 256886, WHERE SAID BOUNDARY LINE IS INTERSECTED BY THE NORTH LINE OF OAKDALE AVENUE THENCE NORTH ALONG SAID BOUNDARY LINE 55 FEET; THENCE WEST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID OAKDALE AVENUE 180 FEET; THENCE SOUTH PARALLEL WITH THE BOUNDARY LINE OF LINCOLN PARK AS ESTABLISHED IN CASE 256886, 55 FEET TO THE NORTH LINE OF SAID OAKDALE AVENUE; THENCE EAST ALONG THE NORTH LINE OF SAID OAKDALE AVENUE 180 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

Common Address: 2960 N. Lake Shore Drive, Chicago, Illinois 60659

Tax Identification No.: 14-28-203-029-0000

Freddie Mac Loan No. 002731738

EXHIBIT B

LIST OF LOAN DOCUMENTS BEING ASSUMED BY NEW BORROWER

1) Multifamily Note dated as October 30, 2000 executed by SPTBrook Properties Trust, a Maryland real estate investment trust, in favor of Glaser Financial Group, Inc., a Minnesota corporation, in the original principal amount of Sixty-Three Million Eight Hundred Ninety Thousand and No/100ths Dollars (US $63,890,000.00), as endorsed and assigned to the Federal Home Loan Mortgage Corporation, a corporation organized and existing under the laws of the United States, by the Allonge to the Multifamily Note dated as October 30, 2000 executed by Glaser Financial Group, Inc.

2) Multifamily Mortgage, Assignment of Rents, and Security Agreement dated October 30, 2000 executed by SPTBrook Properties Trust, a Maryland real estate investment trust, in favor of Glaser Financial Group, Inc., a Minnesota corporation, and recorded in the Office of the County Recorder, Cook County, Illinois, on November 3, 2000 as Document No. 00870096, as assigned by Glaser Financial Group, Inc. to the Federal Home Loan Mortgage Corporation, a corporation organized and existing under the laws of the United States by that certain Assignment of Security Instrument dated October 30, 2000 and recorded in the Office of the County Recorder, Cook County, Illinois, on November 3, 2000 as Document No. 00870101.

3) Cross-Collateralization Agreement, and Amendment to Multifamily Mortgage/Deed of Trust, Assignment of Rents and Security Agreement (Fee Mortgages), dated October 30, 2000, by and between SPTBrook Properties Trust, a Maryland real estate investment trust, and Glaser Financial Group, Inc., a Minnesota corporation, and recorded in the Office of the County Recorder, Cook County, Illinois, on November 3, 2000 as Document No. 00870097, as assigned by Glaser Financial Group, Inc. to the Federal Home Loan Mortgage Corporation, a corporation organized and existing under the laws of the United States by that certain Assignment of Cross-Collateralization Agreement (Fee Mortgages), dated October 30, 2000 and recorded in the Office of the County Recorder, Cook County, Illinois, on November 3, 2000 as Document No. 00870102.

4) Replacement Reserve Agreement dated October 30, 2000 by and between SPTBrook Properties Trust, a Maryland real estate investment trust, Brookdale Living Communities of Illinois-2960, LLC, a Delaware limited liability company, and Glaser Financial Group, Inc., as assigned by Glaser Financial Group, Inc. to the Federal Home Loan Mortgage Corporation by that Assignment of Replacement Reserve Agreement dated October 30, 2000.

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5) Collateral Assignment of Licenses, Certificates and Permits dated October 30, 2000 by and between by and Brookdale Living Communities of Illinois-2960, LLC, a Delaware limited liability company, and Glaser Financial Group, Inc., as joined by SPTBrook Properties Trust, and as assigned by Glaser Financial Group, Inc. to the Federal Home Loan Mortgage Corporation by that Assignment of Collateral Assignment of Licenses, Certificates and Permits dated October 30, 2000.

6) Collateral Assignment of Licenses, Certificates and Permits dated October 30, 2000 by and between by and Brookdale Living Communities of Illinois, Inc., a Delaware corporation, and Glaser Financial Group, Inc., as joined by SPTBrook Properties Trust, and as assigned by Glaser Financial Group, Inc. to the Federal Home Loan Mortgage Corporation by that Assignment of Collateral Assignment of Licenses, Certificates and Permits dated October 30, 2000.

7) Collateral Assignment of Licenses, Certificates and Permits dated October 30, 2000 by and between by and 2960 Beverage Corporation, an Illinois corporation, and Glaser Financial Group, Inc., as joined by SPTBrook Properties Trust, and as assigned by Glaser Financial Group, Inc. to the Federal Home Loan Mortgage Corporation by that Assignment of Collateral Assignment of Licenses, Certificates and Permits dated October 30, 2000.

8) Collateral Assignment of Management Agreement dated October 30, 2000 by and between by and Brookdale Living Communities of Illinois-2960, LLC, a Delaware limited liability company, Standard Parking Corporation, an Illinois corporation, and Glaser Financial Group, Inc., and as assigned by Glaser Financial Group, Inc. to the Federal Home Loan Mortgage Corporation by that Assignment of Collateral Assignment of Licenses, Certificates and Permits dated October 30, 2000.

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EXHIBIT C

MODIFICATIONS TO ALL LOAN DOCUMENTS

A. Modifications to all Loan Documents. As used in the Loan Documents, all reference to Borrower will be deemed to refer to New Borrower.

B. Modifications to Security Instrument. See Exhibit C-I attached hereto and incorporated herein by this reference.

C. Modifications to Note. Schedule B, Modifications to the Multifamily Note, attached to the Note and incorporated therein, is amended and modified to delete in their entirety Paragraphs 2, 3, 6 and 7 thereof.

D. Modification to Cross-Collateralization Agreement. The Cross-Collateralization Agreement shall be amended and restated in its entirety to conform to the Amended and Restated Cross-Collateralization Agreement and Amendment to Multifamily Mortgage/Deed of Trust, Assignment of Rents and Security Agreement attached hereto as Exhibit D. Borrower shall execute the Amended and Restated Cross-Collateralization Agreement and Amendment to Multifamily Mortgage/Deed of Trust, Assignment of Rents and Security Agreement in the form attached hereto as Exhibit D in conjunction with and contemporaneously with the execution of the Assumption Agreement to which this Exhibit C is attached.

E. Modification to Original Guaranty. The Original Guaranty shall be amended and restated in its entirety to conform to the Amended and Restated Limited Guaranty attached hereto as Exhibit E. Guarantor shall execute the Amended and Restated Limited Guaranty in the form attached hereto as Exhibit E in conjunction with and contemporaneously with the execution of the Assumption Agreement to which this Exhibit C is attached.

F. Modification to Replacement Reserve Agreement. The Exhibit D, Modifications to Agreement, attached to Replacement Reserve Agreement and incorporated therein is amended and modified to delete in their entirety Paragraphs 1, 2, 3, 5, 6, 8 and 9 through and including 15.

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EXHIBIT C-I

MODIFICATIONS TO INSTRUMENT

Exhibit B attached to the Security Instrument is hereby deleted in its entirety and replaced with the following:

EXHIBIT B

MODIFICATIONS TO INSTRUMENT

The following modifications are made to the text of the Instrument that precedes this Exhibit:

1. Section 1(b) is amended to add at the end thereof the following: "or any other collateral assignments from Borrower to Lender of any Management Agreement and the Cross-Collateralization Agreement."

2. Section 1(l) is amended to add in the second line thereof after the words "this Instrument" the words ", the Cross-Collateralization Agreement".

3. Section 1(q) is amended to add in the second line thereof after the word "agreements" and before the words "all Collateral Agreements" the words ", the Cross-Collateralization Agreement".

4. The definition of "Leases" in section 1(o) is amended as follows: the words "residential agreements" are added in line 1 thereof after the words, "future leases" and before the word "subleases".

5. The definition of "Rents" in Section 1(x) is amended to add the words "servicing fees and charges" after the words "non-residential space", and before the words "revenues and".

6. There is added to Section 1, the following new definitions:

   (aa) "Cross-Collateralization Agreement" means the that certain Cross-Collateralization Agreement, and Amendment to Multifamily Mortgage/Deed of Trust, Assignment of Rents and Security Agreement (Fee Mortgages), dated October 30, 2000, and recorded in the Land Records on November 3, 2000 as Document No. 00870097, as assigned by Glaser to Lender by the Assignment of Cross-Collateralization Agreement (Fee Mortgages), dated October 30, 2000 and recorded in the Land Records on November 3, 2000 as Document No. 00870102, and amended and restated by the Amended and Restated Cross-Collateralization Agreement, and Amendment to Multifamily Mortgage/Deed of Trust, Assignment

of Rents and Security Agreement dated October 30, 2003, by and between Lender and Borrower.

7. The first (1st) sentence of Section 5 is modified to read as follows: "Borrower shall pay the Indebtedness and the Total Indebtedness (as defined in the Cross-Collateralization Agreement) when due in accordance with the terms of the Note, the Cross-Collateralization Agreement and the Loan Documents and shall perform, observe and comply with all other provisions of the Note, the Cross-Collateralization Agreement and the Loan Documents."

8. Section 7 is amended to add the following subsection:

"(f) Notwithstanding the provisions of Subsection 7(a), Lender will not require Borrower to deposit with Lender amounts sufficient to accumulate with Lender the entire sum required to pay the:

[___] fire, hazard or other insurance premiums,
[___] Taxes,
[_X_] water and sewer charges,
[N/A] ground rents,
[_X_] assessments or other charges.

Borrower must provide Lender with proof of payment of all such Impositions for which Lender is not collecting Imposition Deposits on or before the date such Impositions are due or on the date this Instrument requires such Impositions to be paid. In the event that Borrower does not timely pay any of the Impositions, or fails to provide Lender with proof of such payment, or at any other time in Lender's discretion, Lender may require Borrower to deposit with Lender the Imposition Deposits as provided in Subsection 7(a)."

9. The period at the end of Section 13 is deleted and there is added at the end thereof the following: "and upon reasonable notice."

10. The period at the end of Section 14(a) is deleted and there is added at the end thereof the following: "during normal business hours and upon reasonable notice."

11. Section 14(b)(1) is deleted in its entirety and replaced with the following:

"within 120 days after the end of Borrower's second fiscal quarter and within 120 days after the end of Borrower's fourth fiscal quarter of each fiscal year, a statement of income and expenses for Borrower's operations of the Mortgaged Property for the respective fiscal period (2 quarters), a statement of changes in financial position of Borrower relating to the Mortgaged Property for such fiscal period and, when requested by Lender,

a balance sheet showing all assets and liabilities of Borrower relating to the Mortgaged Property as of the end of such fiscal period."

12. There is inserted in the first line of Section 17 after the word "commit" and before the word "waste" the word "material."

13. There is inserted in line 7 of Section 17 after the word "Fixtures" and before the word "with" the words "when necessary".

14. The semicolon at the end of Section 18(a)(1) is deleted and there is added at the end thereof the following: "in violation of any Hazardous Material Laws;".

15. The semicolon at the end of Section 18(a)(2) is deleted and there is added at the end thereof the following: "in violation of Hazardous Material Laws;".

16. There is deleted from Section 18(a)(3) in line 3 thereof the following: "or may be".

17. There is added to the third line of Section 18(b) after the word "comparable" and before the words "multifamily properties" the following: "senior housing or ".

18. There is added in Section 18(f)(3) after the words "untrue" and before the word "after" the following: "in any material respect".

19. There is added in line 5 of Section 18(h) after the words "required by" the word "such".

20. There is added at the end of Section 18 a new paragraph (q) as follows:

"Notwithstanding anything herein to the contrary, this Section shall not apply to the introduction and initial release of Hazardous Materials on the Mortgaged Property from and after the date that the Lender acquires title to the Mortgaged Property through foreclosure or deed in lieu of foreclosure (the "Transfer Date"); provided, however, the Grantor shall bear the burden of proof that the introduction and initial release of Hazardous Materials (i) occurred subsequent to the Transfer Date, and (ii) did not occur as a result of any action of the Grantor, and (iii) did not occur as a result of any continuing migration or release of any Hazardous Materials introduced prior to the Transfer Date in, on, under, or near the Mortgaged Property."

21. Section 19(b) is modified to delete the fourth sentence thereof which reads as follows: "Lender shall have the right to hold the original policies or duplicate original policies of all insurance required by Section 19(a)."

22. The last sentence of Section 19(b) is modified in its entirety to read as follows: "At least 30 days prior to the expiration date of a policy, Borrower shall deliver or cause to be delivered to Lender a certificate of insurance in form satisfactory to Lender."

23. The first sentence of Section 19(f) is modified in its entirety to read as follows: "In the event of loss of any of the Mortgaged Property, Borrower shall give prompt written notice to the insurance carrier and to Lender."

24. The second sentence of Section 19(f) is modified to delete the period at the end thereof and to add at the end thereof the following:

", provided however, that the Borrower may itself make proof of loss, adjust and compromise any claims under policies of property damage insurance, appear in and prosecute any action arising out of such property damage insurance policies and collect and receive the proceeds of property damage insurance for any losses arising out of a single occurrence aggregating not in excess of $100,000 and in the case of losses arising out of a single occurrence aggregating not in excess of $250,000 may make proof of loss, adjust and compromise any claims under policies of property damage insurance, appear in and prosecute any action arising from such property damage insurance policies but may not collect and receive the proceeds of property damage insurance, the same having been assigned to Lender hereunder."

25. Section 19(h) is amended to delete from the third line thereof the following: "any insurance policies and unearned insurance premiums and in and to".

26. Section 20(a) is amended to delete the period at the end of the third sentence thereof and to add the following:

", provided however, that the Borrower may itself appear in, prosecute any action or proceeding relating to any condemnation and settle or compromise any claim aggregating not in excess of $10,000 and may itself appear in, prosecute any action or proceeding relating to any condemnation and settle and compromise any claim aggregating not in excess of $50,000 but may not collect and receive the award therefrom, the same having been assigned to Lender hereunder.

27. [Intentionally Deleted]

28. Section 21(b)(3) is amended in its entirety to read as follows: "The grant of a leasehold interest in an individual dwelling unit for an initial term of two years or less not containing an option to purchase;"

29. Section 21(b)(4) is amended to add in the second line thereof after the word: "replaced" and before the word "by" the following: "to the extent necessary for operation of the Mortgaged Property."

30. Section 21(b)(5) is amended to add in the second line thereof after the word: "materially" and before the word "affect" the words "and adversely".

31. Section 21(b)(6) is amended to delete the period at the end thereof and to add at the end thereof the following:

"provided, however, that Borrower shall not be required to release of record such lien as long as the Borrower shall in good faith contest the same or the validity thereof by appropriate legal proceedings which shall operate to prevent the collection of the lien so contested and the sale of the Mortgaged Property or any part thereof, to satisfy the same, and provided that Borrower shall, prior to the date such lien is due and payable, have given such reasonable security as may be demanded by the Lender to insure such payments plus interest or penalties thereon and prevent any sale or forfeiture of the Mortgaged Property by reason of such non payment. Any such contest shall be prosecuted with due diligence and the Borrower shall promptly after final determination thereof, pay the amount of any such lien so determined, together with all interest and penalties which may be payable in connection therewith. Notwithstanding these provisions Borrower shall (and if Borrower shall fail so to do, Lender may, but shall not be required to) pay any such lien notwithstanding such contest if in the opinion of Lender the Mortgaged Property shall be in jeopardy or in danger of being forfeited or foreclosed."

32. Section 21(c)(2) is amended to add in the last line thereof after the words "mortgages on" and before the word "multifamily" the words "senior housing".

33. The first sentence of Section 22(g) is amended in its entirety to read as follows:

"any failure by Borrower to perform any of its obligations under this Instrument (other than those specified in Sections 22(a) through (f)) as and when required, which continues for a period of thirty (30) days after notice of such failure by Lender to Borrower or, if such failure cannot reasonably be cured within thirty (30) days, such reasonable additional time as is necessary to cure the same provided the Borrower commenced to cure the failure within such thirty (30) day period and diligently and in good faith continues the same to completion."

34. There is added to Section 22 new subsections as follows:

"(k) any Event of Default shall occur under the Cross-Collateralization Agreement.

(l) Brookdale Living Communities, Inc., a Delaware corporation fails to maintain the Minimum Net Worth requirement pursuant to the terms of the Limited Guaranty executed and delivered by it to Lender dated October 30, 2000, as amended and restated."

35. The words, "to the extent such statements are true and correct as of the date made" are added after the words "such statement" in Line 3 of Section 29.

36. The following new Sections 48 through 50 are added to Instrument following the last numbered section thereof:

"48. SENIOR HOUSING.

(a) **Additions to Definitions.**

(1) The term "**Contract**" shall mean any contract for the provision of services in connection with the operation of the Mortgaged Property, the consideration for which exceeds $50,000 per year, whether (A) between the Borrower and any management agent for the Mortgaged Property, (B) between the Borrower and any third parties, or (C) between any management agent for the Mortgaged Property and a third party.

(2) The term "**Governmental Authority**" shall also include all applicable licensing or accreditation bodies or agencies (whether federal, state, county, district, municipal, city or otherwise, whether now or hereafter in existence) that have or acquire jurisdiction over the Mortgaged Property or the use, operation or improvement of the Mortgaged Property.

(3) The term "**Hazardous Materials**" shall also include any medical products or devices, including those materials defined as "medical waste" or "biological waste" under relevant statutes, ordinances or regulations pertaining to Hazardous Materials Law.

(4) The term "**Lease**" shall also include any occupancy agreements pertaining to occupants of the Mortgaged Property, including both residential and commercial agreements and patient admission or resident care agreements.

(5) The term "**License**" shall mean any license, permit, certificate, approval, certificate of need or authorization necessary to use and operate the Mortgaged Property.

(6) The term "**Mortgaged Property**" shall also include all of the following:

(A) Payments received from occupants, entrance fees, payment of second party charges added to base rental income, base and additional meal sales, payments received from commercial operations located on the Mortgaged Property or provided as a service to the occupants of the Mortgaged Property, rental from guest suites, seasonal lease charges, rental payments under furniture leases, income from laundry service, and income and fees from any and all other services provided to residents;

(B) All rights to payments from Medicare, Medicaid or CHAMPUS programs or similar federal, state or local programs or agencies and rights to payment from private insurers, arising from the operation of the Mortgaged Property;

(C) All licenses, approvals, permits, accreditations, determinations of need, certificates of need and other certificates;

(D) All operating contracts, franchises, license agreements, healthcare services contracts, food service contracts and other contracts for services related to the operation of the Mortgaged Property; and

(E) All utility deposits.

(b) Additional Definitions and Explanations.

(1) The term "**Activities of Daily Living**" shall mean personal care services that provide the frail elderly with assistance in eating, dressing, bathing, incontinence care and assistance in moving from one place to another (such as from a bed to a wheelchair).

(2) The term "**Assisted Living Residences**" shall mean residences that are designed to accommodate and provide 24-hour protective oversight and assistance for individuals with functional limitations, including meals in a central location and assistance with Activities of Daily Living.

(3) The term "**Continuing Care Retirement Community**" ("CCRC") shall mean a property designed to provide a continuum of care within a single community. The living accommodations and care provided within a CCRC are a combination of the accommodations and services provided by Seniors Apartments, Independent Living/Congregate Care Properties, Assisted Living Residences and Skilled Nursing Properties.

(4) The term "**Independent Living/Congregate Care Units**" shall mean residential units that are accompanied by optional services designed to aid the residents' independence, including, but not limited to, building security, optional meals, housekeeping, laundry, and at least some incidental services and activities not related to personal care, such as valet shopping, financial planning, unscheduled transportation, beautician services, recreational and social activities and 24-hour staff presence.

(5) The term "**Skilled Nursing Beds**" shall mean a portion of a property that provides licensed skilled nursing care and related services for patients who require medical, nursing or rehabilitative services.

(c) Intended Use.

The residential units in the Mortgaged Property will be allocated as follows (the "Intended Use"):

1. Independent Living/Congregate Care Units 100%
2. Assisted Living Residences 0%
3. Skilled Nursing Beds 0%
4. Continuing Care Retirement Community with the following percentages of use:
   a. Seniors Apartments 0%
   b. Independent Living/Congregate Care Units 0%
   c. Assisted Living Residences 0%
   d. Skilled Nursing Beds 0%

(d) Additional Covenants.

(1) Borrower shall operate the Mortgaged Property for its Intended Use and shall provide, to Lender's reasonable satisfaction, all of the facilities, services, staff, equipment and supplies required or normally associated with a typical high quality property devoted to the Intended Use.

(2) Borrower shall operate the Mortgaged Property in a manner such that all applicable Licenses will remain in full force and effect. Borrower shall not, and shall not allow any management agent to, (A) transfer any License to any location other than the Mortgaged Property, (B) pledge any License as collateral security for any other loan or indebtedness; or (C) terminate or modify any License if doing so would have a material effect on the Mortgaged Property.

(3) Borrower shall furnish to Lender, within ten (10) days after receipt by Borrower or any management agent for the Mortgaged Property, any and all notices from any Governmental Authority that (A) any License is being downgraded to a substandard category, revoked, or suspended, (B) any violation, fine, finding, investigation or corrective action concerning any

License is pending or being considered or (C) any health or safety code violation or other deficiency at the Property has been identified.

(4) Borrower shall furnish to Lender, within ten (10) days after receipt by Borrower or any management agent for the Mortgaged Property, a copy of any report or statement of deficiencies by any Governmental Authority, and within the time period required by the Governmental Authority for furnishing a plan of correction, shall furnish to Lender a copy of the plan of correction. Borrower shall correct any deficiency the curing of which is a condition of continued licensure, certification or operation by the date required for cure by the Governmental Authority.

(5) Upon Lender's request, Borrower shall furnish to Lender true and correct copies of all Contracts and all occupancy agreements, admission agreements and resident care agreements.

(6) Without the prior written consent of Lender, which may be granted or withheld in Lender's discretion, Borrower shall not, and shall not permit any management agent for the Mortgaged Property to, provide or contract for skilled nursing care for any of the residents other than that level of care which both (A) is consistent with the Intended Use and (B) is permissible for Borrower to provide under state or local statutes, regulations, ordinances, orders or standards.

(7) Without the prior written consent of Lender, which may be granted or withheld in Lender's discretion, Borrower shall not, and shall not permit any management agent for the Mortgaged Property to, participate in Medicare or Medicaid, or any provider agreement under Medicare or Medicaid, or accept any resident whose ability to reside in the Mortgaged Property requires that Borrower, the Mortgaged Property or any management agent for the Mortgaged Property participate in Medicare, Medicaid or any similar provider program.

(8) Borrower shall not, and shall not permit any management agent for the Mortgaged Property to, enter into any Contract the average annual consideration for which, directly or indirectly, is $50,000 or more unless that Contract provides that it is terminable at Lender's option if an Event of Default has occurred and is continuing.

(9) Borrower shall not, and shall not allow any management agent for the Mortgaged Property to, pledge any receivables as collateral security for any other loan or indebtedness.

(10) Borrower shall fully perform all of its obligations under each Contract, and Borrower shall not amend, modify, assign or otherwise encumber its interest in any Contract without the prior written approval of Lender. If Borrower enters into any Contract in the future, it shall, simultaneously with entering into the Contract, (A) assign its rights under and interest in the Contract to Lender as additional security for the Indebtedness and (B) obtain and provide to Lender a consent to that assignment by the other party(ies) to the Contract. If in the future any management agent for the Mortgaged Property enters into a Contract, Borrower shall cause the management agent to (I) assign its rights under and interest in the Contract to Lender as additional security for the Indebtedness and (II) obtain and provide to Lender a consent to that assignment by the other party(ies) to the Contract. In either case, both the assignment and the consent shall be in a form acceptable to Lender in its discretion.

(11) Borrower shall provide Lender with a copy of any License issued in the future by a Governmental Authority within thirty (30) days after its issuance or renewal. To the extent that any such License is assignable, Borrower shall assign it to Lender as additional security for the Indebtedness, using a form of Assignment acceptable to Lender in its discretion. If any License is issued to a management agent for the Mortgaged Property, to the extent such License is assignable, Borrower shall cause the management agent to assign the License to Lender as additional security for the Indebtedness, using a form of Assignment acceptable to Lender in its discretion.

(e) **Additional Representations and Warranties.** In addition to those representations and warranties contained in this Instrument, Borrower represents and warrants to Lender as follows during such period of time as it is conducting the Intended Use on the Mortgaged Property:

"In addition to those representations and warranties contained in this Instrument, Borrower represents and warrants to Lender as follows:

(1) Borrower has obtained all Licenses necessary to use and operate the Mortgaged Property for its Intended Use (such Licenses being in its own name or in the name of the management agent for the Mortgaged Property, if any, and in any event in the names of the persons and entities required by the applicable Governmental Authorities), and all such Licenses are in full force and effect. Borrower has provided Lender with complete and accurate copies of all Licenses. The Intended Use of the Mortgaged

Property is in conformity with all certificates of occupancy and Licenses and any other restrictions or covenants affecting the Mortgaged Property. The Mortgaged Property contains all equipment, staff and supplies necessary to use and operate the Mortgaged Property for its Intended Use.

(2) Borrower and the Mortgaged Property (and its operation) are in compliance in all material respects with the applicable provisions of all laws, regulations, ordinances, orders or standards of any Governmental Authority having jurisdiction over the operation of the Mortgaged Property, including: (A) health care and fire safety codes; (B) laws regulating the preparation and serving of food; (C) laws regulating the handling and disposal of medical or biological waste; (D) the applicable provisions of all laws, rules, regulations and published interpretations of them to which the Borrower or the Mortgaged Property is subject by virtue of its Intended Use; and (E) all criteria established to classify the Mortgaged Property as housing for older persons under the Fair Housing Amendments Act of 1988.

(3) Borrower does not currently participate in any Medicaid programs, Medicare programs or any other third party payors' programs or other similar provider payment programs in connection with the operation of the Mortgaged Property.

(4) Borrower and the Mortgaged Property are not subject to any proceeding, suit or investigation by any Governmental Authority and neither Borrower nor any management agent for the Mortgaged Property has received any notice from any Governmental Authority which may result in the imposition of a fine or interim or final sanction or would (i) have a material adverse effect on Borrower or the operation of the Mortgaged Property, (ii) result in the appointment of a receiver, (iii) affect Borrower's ability to accept and retain residents, or (iv) result in the revocation, transfer, surrender, suspension or other impairment of any License.

(5) Neither the execution and delivery of the Note, this Instrument or any other Loan Document, Borrower's performance under the Loan Documents, the recordation of this Instrument, nor the exercise of any remedies by Lender, will adversely affect the Licenses.

(6) Borrower is not a participant in any federal program under which any Governmental Authority may have the right to recover funds by reason of the advance of federal funds.

(7) Borrower has received no notice of, and is not aware of, any violation of applicable antitrust laws.

(8) If any existing management agreement is terminated or Lender acquires the Mortgaged Property through foreclosure or otherwise, neither Borrower, Lender, any subsequent management agent, nor any subsequent purchaser (through foreclosure or otherwise) must obtain a certificate of need from any Governmental Authority (other than giving of any notice required under the applicable state law or regulation) prior to applying for any License, so long as neither the type of service nor any unit compliment is changed.

(9) Exhibit C attached to this Instrument lists all Contracts now in effect.

(10) With regard to each Contract listed in Exhibit C: (i) the Contract is assignable without the consent of the other party thereto or Borrower has obtained express written consent to the assignment from the other party thereto; (ii) no previous assignment of Borrower's interest in the Contract has been made; (iii) the Contract is in full force and effect in accordance with its respective terms; and (iv) there is no default under the Contract.

(11) Each Contract listed in Exhibit C provides that it is terminable, at Lender's option, upon the occurrence of an Event of Default.

(12) Except for termination statements and continuation statements, during the 45-day period prior to the date of this Instrument, there have been no UCC financing statements filed with respect to any of the UCC Collateral (as defined in Section 3) listing as debtor the Borrower, any management agent for the Mortgaged Property or the Mortgaged Property's common name."

(f) Additional Events of Default.

In addition to the Events of Default listed in Section 22 of this Instrument, each of the following shall also constitute an Event of Default:

(1) Borrower's failure within the time deadlines set by any Governmental Authority to correct any deficiency that may cause any action by such agency with respect to the Mortgaged Property to have a material adverse affect on the income or operation of the Mortgaged Property or on Borrower's interest in the Mortgaged Property, including a termination,

revocation or suspension of any applicable License, or a ban on new resident admissions.

(2) A default under any of the Contracts by Borrower or by any management agent for the Mortgaged Property, which continues beyond the expiration of any applicable cure period.

(3) Any representation or warranty made by Borrower in this Instrument or any other Loan Document was false or misleading in any material respect when made.

(4) Borrower participates, or permits any management agent for the Mortgaged Property to participate, in Medicare, Medicaid, or any similar or successor payment provider plan.

(5) The Mortgaged Property is no longer classified as housing for older persons pursuant to the Fair Housing Amendments Act of 1988.

(g) **Environmental Hazards.** In addition to the activities and conditions listed in Section 18(b), "Prohibited Activities and Conditions" shall not include the presence at the Mortgaged Property of medical products or devices or medical waste, so long as all of the foregoing are used, stored, handled, transported and disposed of in compliance with Hazardous Materials Laws.

49. **MANAGEMENT.** Lender acknowledges that the Borrower manages the mortgaged Property and that there is not a management agreement. If the Borrower ceases to manage the Mortgaged Property, the Borrower must immediately provide for a professional management agent pursuant to a management agreement, both acceptable to Lender. Lender's consent to in the appointed management agent shall be conditioned on obtaining a collateral assignment of the new management agreement in a form approved by Lender, which assignment must be consented to by the new management agent.

50. **EXHIBIT C.** Exhibit C, Contracts, is added to this Instrument."

37. All capitalized terms used in this Exhibit not specifically defined herein shall have the meanings set forth in the text of the Instrument that precedes this Exhibit.

BORROWER'S INITIALS

Freddie Mac Loan No. 002731738

EXHIBIT D

AMENDED AND RESTATED CROSS-COLLATERALIZATION AGREEMENT, AND AMENDMENT TO MULTIFAMILY MORTGAGE/DEED OF TRUST, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

THIS AMENDED AND RESTATED CROSS-COLLATERALIZATION AGREEMENT (this "Agreement") is made as of the 30th day of October, 2003 between the FEDERAL HOME LOAN MORTGAGE CORPORATION ("Lender") and BROOKDALE LIVING COMMUNITIES OF ILLINOIS-2960, LLC, a Delaware limited liability company ("Borrower").

RECITALS

A. SPTBROOK PROPERTIES TRUST, a Maryland real estate investment trust ("SPTBrook") obtained a mortgage loan from GLASER FINANCIAL GROUP, INC., a Minnesota corporation ("Glaser"), in the original principal amount of Sixty-Three Million Eight Hundred Ninety Thousand and No/100ths Dollars (US $63,890,000.00) (the "Loan") as evidenced by that certain Multifamily Note dated October 30, 2000 payable to Glaser, as endorsed and assigned to Lender by Glaser by that certain Allonge to Multifamily Note dated October 30, 2000, and as assumed by Borrower and amended and modified by the Assumption Agreement dated as of the date hereof by and between SPTBrook, Borrower, Brookdale Living Communities, Inc., a Delaware corporation ("Guarantor") and Lender (the "Assumption Agreement") (collectively as assigned, assumed and modified, the "Note").

B. To secure repayment of the Loan, SPTBrook executed and delivered to Glaser, a certain Multifamily Mortgage, Assignment of Rents, and Security Agreement dated October 30, 2000, and recorded in the Office of the County Recorder, Cook County, Illinois ("the Land Records"), on November 3, 2000 as Document No. 00870096, as assigned by Glaser to Lender by that certain Assignment of Security Instrument dated October 30, 2000 and recorded in the Land Records on November 3, 2000 as Document No. 00870101, and as assumed by Borrower and amended and modified by the Assumption Agreement (collectively as assigned, assumed and modified, the "Security Instrument") upon real property identified in Exhibit A hereto and other property included within the definition of "Mortgaged Property" as set forth in the Security Instrument and constituting or related to a senior residential project known as The Hallmark.

C. As additional security for the Loan, SPTBrook and Glaser entered into the Cross-Collateralization Agreement, and Amendment to Multifamily Mortgage/Deed of Trust, Assignment of Rents and Security Agreement (Fee Mortgages), dated October 30, 2000, and recorded in the Land Records on November 3, 2000 as Document No. 00870097, as assigned by

Glaser to Lender by that certain Assignment of Cross-Collateralization Agreement (Fee Mortgages), dated October 30, 2000 and recorded in the Land Records on November 3, 2000 as Document No. 00870102 (collectively the "Original Cross-Collateralization Agreement").

D. SPTBrook demised the Property to Borrower pursuant to that certain Lease, dated as of October 30, 2000, between SPTBrook as lessor/landlord and Borrower as lessee/tenant, a memorandum of which was recorded in the Land Records on November 1, 2000, as Document No. 00870098 (the "Operating Lease").

E. Borrower has agreed to assume all of SPTBrook's rights, obligations, and liabilities created or arising under the Loan Documents, with certain modifications (the "Assumption"), as set forth in the Assumption Agreement.

F. Contemporaneously with the making of the Loan, Glaser made three (3) other mortgage loans to SPTBrook (collectively, the "Related Loans") each of which Related Loans have been assigned to Lender and assumed by affiliates of Borrower, and each of which Related Loans is secured by a Multifamily Mortgage/Deed of Trust, Assignment of Rents and Security Agreement (collectively, the "Related Security Instruments") upon other real property (collectively, the "Related Properties"), all as more fully set forth on Exhibit B attached hereto and incorporated herein

G. As a condition to consenting to the Transfer, the Assumption and the cancellation of the Operating Lease and the transfer to and assumption of Related Loans by the Related Borrowers, Lender requires that the Mortgaged Property serve as collateral for each of the Related Loans and that Mortgaged Property for each of the Related Properties serve as collateral for the Loan. Borrower is executing this Amended and Restated Cross-Collateralization Agreement as an amendment to and restatement of the Original Cross-Collateralization Agreement in its entirety to satisfy such condition. Borrower further acknowledges that the benefits derived by Borrower from this Amended and Restated Cross-Collateralization Agreement and from those certain Amended and Restated Cross-Collateralization Agreements entered into connection with the Related Loans by the Related Parties are equivalent to the burdens imposed upon Borrower and the Mortgaged Property by this Amended and Restated Cross-Collateralization Agreement, notwithstanding that the Loan and the Related Loans may be of differing amounts.

NOW, THEREFORE, for and in consideration of the Loan, the mutual promises and covenants herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Borrower agree as follows:

1. **AMENDMENT AND RESTATEMENT.** This Amended and Restated Cross-Collateralization Agreement amends, restates and replaces in its entirety the Original Cross-Collateralization Agreement.

2. **DEFINITIONS.** For purposes of this Amended and Restated Cross-Collateralization Agreement, the following terms shall have the meanings indicated:

"Event of Default" shall have the meaning set forth in Section 5.

"Foreclosure" means a judicial or non-judicial foreclosure of or trustee's sale under the Security Instrument or a Related Security Instrument, a deed in lieu of such foreclosure or sale, a sale of any of the Total Property pursuant to lawful order of a court of competent jurisdiction in a bankruptcy case filed under Title 11 of the United States Code, or any other similar disposition of any of the Total Property.

"Fraudulent Transfer Laws" means Section 548 of Title 11 of the United States Code or any applicable provisions of comparable state law, including any provisions of the Uniform Fraudulent Conveyance Act or Uniform Fraudulent Transfer Act, as adopted under state law.

"Indebtedness" means the "Indebtedness" as defined in the Security Instrument, exclusive of any sums payable by Borrower solely by reason of this Amended and Restated Cross-Collateralization Agreement.

"Loans" means the Loan and the Related Loans.

"Related Borrowers" means the original borrower under each of the Related Loans (which original borrower may be the Borrower named in this Amended and Restated Cross-Collateralization Agreement), and any successor to the interest of each such borrower in any of the Related Properties who acquires such Related Property subject to, or who assumes, a Related Security Instrument.

"Related Indebtedness" means the aggregate of the "Indebtedness" as defined in each of the Related Security Instruments.

"Related Loan Documents" means the "Loan Documents" as defined in each of the Related Security Instruments.

"Total Indebtedness" means the aggregate of the Indebtedness plus (i) the Related Indebtedness, plus (iii) all other amounts payable under this Amended and Restated Cross-Collateralization Agreement and under the Total Loan Documents.

"Total Loan Documents" means the "Loan Documents" as defined in the Security Instrument and the Related Loan Documents. This Amended and Restated Cross-Collateralization Agreement is among the Loan Documents as defined in the Security

Instrument, and the Amended and Restated Cross-Collateralization Agreements entered into in connection with the Related Loans are among the Related Loan Documents.

"**Total Property**" means the aggregate of the Mortgaged Property and the "Mortgaged Property" described in each of the Related Security Instruments.

Any capitalized terms used in this Amended and Restated Cross-Collateralization Agreement and not defined herein shall have the meaning ascribed to them in the Security Instrument.

3. **ASSUMPTION AND INTEGRATION OF RELATED INDEBTEDNESS; OBLIGATIONS ABSOLUTE.** Borrower hereby acknowledges that:

(a) Borrower shall pay not only the Indebtedness, but all of the Related Indebtedness in accordance with the Related Loan Documents. Borrower and the Related Borrowers are jointly and severally liable for the payment of the Total Indebtedness. Lender at its option may treat the Loan and each of the Related Loans as separate and independent obligations of Borrower, or may treat some or all of the Loans, and all or any part of the Total Indebtedness, as a single, integrated indebtedness of Borrower.

(b) No invalidity, irregularity or unenforceability of all or any part of the Related Indebtedness shall affect, impair or be a defense to the recovery by Lender of the Indebtedness.

(c) It is the intention of Lender and Borrower that Borrower's obligations to pay the Related Indebtedness shall be independent, primary, and absolute, and shall be performed without demand by Lender and shall be unconditional irrespective of the genuineness, validity, regularity or enforceability of any of the Related Loan Documents, and without regard to any circumstance, other than payment in full of the Related Indebtedness, which might otherwise constitute a legal or equitable discharge of a borrower, a mortgagor, a surety, or a guarantor. Borrower waives, to the fullest extent permitted by law, all rights to require Lender to proceed against any Related Borrower or against any guarantor of any of the Total Indebtedness or to pursue any other right or remedy Lender may now or hereafter have against any Related Borrower or any collateral for any of the Total Indebtedness.

4. **AMENDMENT OF SECURITY INSTRUMENT TO GRANT ADDITIONAL SECURITY.** The Security Instrument is hereby amended to provide that the Security Instrument secures the obligation of Borrower to pay the Related Indebtedness and the Total Indebtedness as well as the obligation of Borrower to pay the Indebtedness.

5. **EVENTS OF DEFAULT.** Each of the following events shall constitute an "Event of Default" under this Amended and Restated Cross-Collateralization Agreement:

   (a) a default or breach by Borrower of any provision of this Amended and Restated Cross-Collateralization Agreement; and

   (b) any event or condition constituting an "Event of Default" under any of the Total Loan Documents.

6. **AMENDMENT OF SECURITY INSTRUMENT TO PROVIDE FOR CROSS-DEFAULT.** The Security Instrument is hereby amended to provide that any Event of Default under this Amended and Restated Cross-Collateralization Agreement shall constitute an Event of Default under the Security Instrument.

7. **REMEDIES.**

   (a) Upon the occurrence of an Event of Default, Lender, in its sole and absolute discretion, may exercise any or some or all of the following remedies, in such order and at such time or times as Lender shall elect:

      (i) declare immediately due and payable the entire Total Indebtedness or any portion thereof; and

      (ii) exercise any or some or all of Lender's rights and remedies under this Amended and Restated Cross-Collateralization Agreement, any of the Total Loan Documents, or applicable law.

   (b) Lender may exercise such remedies in one or more proceedings, whether contemporaneous or consecutive or a combination of both, to be determined by Lender in its sole discretion. Lender may enforce its rights against the Mortgaged Property or the Total Property, or any portions of the Mortgaged Property or the Total Property, in such order and manner as Lender may elect in Lender's sole discretion. The enforcement of the Security Instrument or any Related Security Instrument or any other of the Total Loan Documents shall not constitute an election of remedies, and shall not limit or preclude the enforcement of the Security Instrument or any other Related Security Instrument or any other of the Total Loan Documents, through one or more additional proceedings. Lender may bring any action or proceeding, including but not limited to foreclosure proceedings, without regard to the fact that one or more other proceedings may have been commenced elsewhere with respect to other of the Total Property or any portion thereof. Borrower, for itself and for any and all persons or entities

now or in the future holding or claiming any lien on, security interest in, or other interest or right of any nature in or to any of the Mortgaged Property, hereby unconditionally and irrevocably waives any rights Borrower may have, now or in the future, whether at law or in equity, to require Lender to enforce or exercise any of Lender's rights or remedies under this Amended and Restated Cross-Collateralization Agreement, under the Security Instrument, or under any other of the Total Loan Document in any particular manner or order or in any particular state or county, or to apply the proceeds of any foreclosure in any particular manner or order.

(c) No judgment obtained by Lender in any proceeding enforcing any of the Total Loan Documents shall merge any of the Total Indebtedness into that judgment, and all Total Indebtedness which remains unpaid shall remain a continuing obligation of Borrower. Notwithstanding any foreclosure of the Security Instrument or any of the Related Security Instruments, Borrower shall remain bound under this Amended and Restated Cross-Collateralization Agreement.

8. **APPLICATION OF PROCEEDS.** Proceeds of the enforcement or foreclosure of the Security Instrument or any Related Security Instrument shall be applied to the payment of the Total Indebtedness (including prepayment premiums) in such order as Lender may determine in Lender's sole discretion.

9. **ADJUSTMENT OF OBLIGATIONS.** If Borrower's incurring of the obligation to pay the Related Indebtedness provided for in Section 3 above, or the amendment of the Security Instrument provided for in Section 4 above, becomes subject to avoidance under any Fraudulent Transfer Law, then automatically, the Related Indebtedness for which Borrower will be liable and the amount of the Related Indebtedness for which the Mortgaged Property shall constitute security, shall be limited to the largest amount that would not be subject to avoidance under such Fraudulent Transfer Law.

10. **BORROWER'S RIGHTS OF SUBROGATION, ETC.** Until the Total Indebtedness has been paid in full and there has expired the maximum possible period thereafter during which any payment to Lender with respect to the Total Indebtedness could be deemed a preference under the United States Bankruptcy Code, Borrower shall have no right of, and hereby waives any claim for, subrogation, contribution, reimbursement or indemnity (whether contractual, statutory, equitable, under common law or otherwise) which Borrower has now or may have in the future against any of the Related Borrowers or any of the Related Properties or against any guarantor or security for any of the Total Indebtedness. Borrower understands that the exercise by Lender of certain rights and remedies contained in the Security Instrument or any one or more of the Related Security Instruments may affect or eliminate Borrower's right of subrogation against a Related Borrower and that Borrower may therefore incur a partially or totally nonreimburseable

liability under this Amended and Restated Cross-Collateralization Agreement. Nevertheless, Borrower hereby authorizes and empowers Lender, in Lender's sole and absolute discretion, to exercise any right or remedy, or any combination thereof, which may then be available.

11. **SUBORDINATION OF OBLIGATIONS TO BORROWER.** Any indebtedness or other obligation of a Related Borrower held by Borrower shall be subordinate to the rights of Lender against that Related Borrower. If Lender so requests at a time when an Event of Default has occurred, Borrower shall enforce and collect any such indebtedness or other obligation as trustee for Lender and shall pay over to Lender any amount collected on account of the Total Indebtedness.

12. **LENDER'S RIGHTS.** At any time and from time to time and without the consent of, or notice to, Borrower, without incurring liability to Borrower, and without impairing or releasing Borrower's liability for the Related Indebtedness, Lender may:

(a) change the manner, place or terms of payment, or change or extend the time of payment of, or renew, increase, accelerate or alter, any of the Related Indebtedness, any security for the Related Indebtedness, or any liability incurred directly or indirectly with respect to the Related Indebtedness;

(b) take and hold security for the payment of any of the Related Indebtedness, and sell, exchange, release, surrender, realize upon or otherwise deal with in any manner and in any order any property pledged or mortgaged to secure any of the Related Indebtedness;

(c) exercise or refrain from exercising any rights against Borrower, any Related Borrower, the Mortgaged Property, or any Related Properties;

(d) release or substitute any one or more endorsers, guarantors, or other obligors with respect to any of the Related Indebtedness;

(e) settle or compromise any of the Related Indebtedness, or subordinate the payment of all or any part of the Related Indebtedness to the payment of any liability (whether due or not) of any Related Borrower to its creditors other than Lender; and

(f) consent to or waive any breach by Borrower or any Related Borrower of, or any act, omission or default by Borrower or any Related Borrower under, this Amended and Restated Cross-Collateralization Agreement or any of the Total Loan Documents.

13. **WAIVERS OF PRESENTMENT, MARSHALLING, CERTAIN SURETYSHIP DEFENSES, ETC.**

(a) With respect to its obligations under this Amended and Restated Cross-Collateralization Agreement and the Total Loan Documents, Borrower waives presentment, demand, notice of dishonor, protest, notice of acceleration, notice of intent to demand or accelerate payment or maturity, presentment for payment, notice of nonpayment, grace, and diligence in collecting such obligations.

(b) Lender shall have the right to determine in its discretion whether and the order in which any or all of the Total Property or portions thereof shall be subjected to the remedies provided in the Total Loan Documents or applicable law. Lender shall have the right to determine in its discretion the order in which any or all portions of the Total Indebtedness are satisfied from the proceeds realized upon the exercise of such remedies. Borrower and any party who now or in the future acquires a lien on or security interest or other interest in any of the Mortgaged Property hereby unconditionally and irrevocably waives any and all right to require the marshalling of assets or to require that any of the Total Property or portions thereof be sold in the inverse order of alienation or in parcels or as an entirety in connection with the exercise of any such remedies.

14. **LIMITED-RECOURSE LIABILITY.** Borrower's personal liability (liability beyond Borrower's interest in the Mortgaged Property) for the Related Indebtedness shall be limited to the same extent as the personal liability of the Related Borrowers is limited in the Related Loan Documents.

15. **RELEASE PROVISIONS. N/A**

16. **NOTICES.** All notices to Borrower under this Amended and Restated Cross-Collateralization Agreement shall be in writing and shall be given in the manner provided in the Security Instrument for notices to Borrower. All notices to Lender by Borrower under this Amended and Restated Cross-Collateralization Agreement shall be in writing and shall be given in the manner in the Security Instrument for notices to Lender.

17. **GOVERNING LAW; JURISDICTION AND VENUE.** This Amended and Restated Cross-Collateralization Agreement shall be governed by and construed in accordance with the laws of the State in which the Mortgaged Property is located. Borrower irrevocably submits to the jurisdiction of any federal or state court sitting in (i) any state or jurisdiction in which the Mortgaged Property or any of the Related Properties is located, and (ii) the Commonwealth of Virginia, over any suit, action or proceeding arising out of or relating to this Amended and Restated Cross-Collateralization Agreement. Borrower hereby submits to the *in personam* jurisdiction of each such court in any matter

involving this Amended and Restated Cross-Collateralization Agreement. Borrower irrevocably waives, to the fullest extent permitted under applicable law, any objections it may now or hereafter have to the venue of any suit, action or proceeding brought in any such court and any claim that the same has been brought in an inconvenient forum. Borrower acknowledges that it has received material and substantial consideration for the cross-collateralization of the Mortgaged Property and the Related Properties and that the foregoing venue provision is integral to the Lender's realization of its rights hereunder. Borrower further acknowledges that it is not in disparate bargaining position, that it is a commercial enterprise, with sophisticated financial, legal and economic experience, that the venue selections contained herein are not unreasonable, unjust, inconvenient or overreaching.

18. **CAPTIONS, CROSS REFERENCES AND EXHIBITS.** The captions assigned to provisions of this Amended and Restated Cross-Collateralization Agreement are for convenience only and shall be disregarded in construing this Amended and Restated Cross-Collateralization Agreement. Any reference in this Amended and Restated Cross-Collateralization Agreement to a "Section", a "Subsection" or an "Exhibit" shall, unless otherwise explicitly provided, be construed as referring to a section of this Amended and Restated Cross-Collateralization Agreement, to a subsection of the section of this Amended and Restated Cross-Collateralization Agreement in which the reference appears or to an Exhibit attached to this Amended and Restated Cross-Collateralization Agreement. All Exhibits referred to in this Amended and Restated Cross-Collateralization Agreement are hereby incorporated by reference.

19. **NUMBER AND GENDER.** Use of the singular in this Amended and Restated Cross-Collateralization Agreement includes the plural, use of the plural includes the singular, and use of one gender includes all other genders, as the context may require.

20. **STATUTES AND REGULATIONS.** Any reference in this Agreement to a statute or regulation shall include all amendments to and successors to such statute or regulation, whether adopted before or after the date of this Amended and Restated Cross-Collateralization Agreement.

21. **NO PARTNERSHIP.** This Amended and Restated Cross-Collateralization Agreement is not intended to, and shall not, create a partnership or joint venture among the parties, and no party to this Amended and Restated Cross-Collateralization Agreement shall have the power or authority to bind any other party except as explicitly provided in this Amended and Restated Cross-Collateralization Agreement.

22. **SUCCESSORS AND ASSIGNS.** This Amended and Restated Cross-Collateralization Agreement shall be binding upon and shall inure to the benefit of the parties and their respective heirs, successors, and assigns.

23. **SEVERABILITY.** The invalidity or unenforceability of any provision of this Amended and Restated Cross-Collateralization Agreement shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

24. **WAIVER; NO REMEDY EXCLUSIVE.** Any forbearance by a party to this Amended and Restated Cross-Collateralization Agreement in exercising any right or remedy given under this Amended and Restated Cross-Collateralization Agreement or existing at law or in equity shall not constitute a waiver of or preclude the exercise of that or any other right or remedy. Unless otherwise explicitly provided, no remedy under this Amended and Restated Cross-Collateralization Agreement is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Amended and Restated Cross-Collateralization Agreement or existing at law or in equity.

25. **THIRD PARTY BENEFICIARIES.** Neither any creditor of any party to this Amended and Restated Cross-Collateralization Agreement, nor any other person, is intended to be a third party beneficiary of this Amended and Restated Cross-Collateralization Agreement.

26. **COURSE OF DEALING.** No course of dealing among the parties to this Amended and Restated Cross-Collateralization Agreement shall operate as a waiver of any rights of any party under this Amended and Restated Cross-Collateralization Agreement.

27. **FURTHER ASSURANCES AND CORRECTIVE INSTRUMENTS.** To the extent permitted by law, the parties shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements to this Amended and Restated Cross-Collateralization Agreement and such further instruments as may reasonably be required for carrying out the intention of or facilitating the performance of this Amended and Restated Cross-Collateralization Agreement.

28. **NO PARTY DEEMED DRAFTER.** No party shall be deemed the drafter of this Amended and Restated Cross-Collateralization Agreement, and this Amended and Restated Cross-Collateralization Agreement shall not be construed against either party as the drafter of the Agreement.

29. **WAIVER OF TRIAL BY JURY. BORROWER AND LENDER EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS AMENDED AND RESTATED CROSS-COLLATERALIZATION AGREEMENT THAT IS TRIABLE OF RIGHT BY A JURY AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT**

TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

(*Signature Pages to Follow*)

BORROWER:

BROOKDALE LIVING COMMUNITIES OF ILLINOIS-2960, LLC, a Delaware limited liability company

By:_____
Name: R. Stanley Young
Title: Vice President and Treasurer

Address for Notice to New Borrower: c/o Brookdale Living Communities, Inc.
330 North Wabash Avenue, Suite 1400
Chicago, Illinois 60611

STATE OF _____)
) SS
COUNTY OF _____)

On this _ ___ day of _____, 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared R. Stanley Young, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person who executed the within instrument as the Vice President and Treasurer of BROOKDALE LIVING COMMUNITIES OF ILLINOIS-2960, LLC, a Delaware limited liability company, the company that executed the within instrument, and acknowledged to me that such company executed the same.

WITNESS my hand and official seal.

Signature:_____
Name:_____
My Commission Expires:_____

Freddie Mac Loan No. 002731738

LENDER:

FEDERAL HOME LOAN MORTGAGE CORPORATION, a corporation organized and existing under the laws of the United States

By: _____

Name: Bryan Dickson

Its: Assistant Secretary/Treasurer

Address for Notice to Noteholder: 8200 Jones Branch Drive
McLean, Virginia 22102

STATE OF Virginia)
) SS
COUNTY OF Fairfax)

On this 31st day of October, 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared Bryan Dickson, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person who executed the within instrument as the Asst. Sec. Treas of the FEDERAL HOME LOAN MORTGAGE CORPORATION, a corporation organized and existing under the laws of the United States, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

Signature: Catherine M. Hinton
Name: Catherine M. Hinton
My Commission Expires: 5-31-2004

OFFICIAL SEAL
CATHERINE HINTON
Notary Public Virginia
My Commission Expires
MAY 31, 2004

ASSUMPTION AGREEMENT
Multifamily - For Use with Electronic Mortgage Documents (5/2003)

Freddie Mac Loan No. 002731738

EXHIBIT A

LEGAL DESCRIPTION OF THE MORTGAGED PROPERTY

PARCEL 1:

THE NORTH 50 FEET OF THE SOUTH 105 FEET OF THE EAST 180 FEET OF THAT PART OF THE LOT 8 LYING WEST OF THE WEST BOUNDARY LINE OF LINCOLN PARK, AS ESTABLISHED BY DECREE OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS ENTERED OCTOBER 31, 1904, IN CASE GENERAL NUMBER 256886, ALL IN THE COUNTY CLERK'S DIVISION OF LOTS 2, 3 AND 4 AND THE SOUTH 33 FEET OF LOT 1 IN THE ASSESSOR'S DIVISION OF LOTS 1 ONE 2 IN THE CITY OF CHICAGO SUBDIVISION OF THE EAST FRACTIONAL HALF OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, MEANING AND INTENDING TO DESCRIBE A TRACT OF LAND BOUNDED AS FOLLOWS:

BEGINNING ON THE WEST BOUNDARY LINE OF LINCOLN PARK ESTABLISHED AS AFORESAID, AT A POINT 55 FEET NORTH OF THE NORTH LINE OF OAKDALE AVENUE; THENCE NORTH 50 FEET; THENCE WEST 180 FEET; THENCE SOUTH 50 FEET; THENCE EAST 180 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF LOT 2 IN ASSESSOR'S DIVISION OF LOTS 1 AND 2 IN THE CITY OF CHICAGO SUBDIVISION OF THE EAST FRACTIONAL HALF OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST BOUNDARY LINE OF LINCOLN PARK, AS ESTABLISHED BY DECREE OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS ENTERED OCTOBER 31, 1904 IN CASE 256886, SAID POINT OF BEGINNING BEING 80 FEET DUE SOUTH FROM THE SOUTH LINE OF WELLINGTON STREET EXTENDED EAST; THENCE RUNNING WEST 200 FEET ALONG A LINE AT ALL POINTS 80 FEET DUE SOUTH FROM THE SOUTH LINE OF WELLINGTON STREET EXTENDED EAST; RUNNING THENCE SOUTHERLY ON A LINE AT ALL POINTS 200 FEET WEST OF SAID WEST BOUNDARY LINE OF LINCOLN PARK TO A POINT ON THE NORTH LINE OF THE ALLEY AS DEDICATED BY INSTRUMENT RECORDED IN THE RECORDER'S

OFFICE OF COOK COUNTY, ILLINOIS ON MARCH 16, 1915 AS DOCUMENT 5594071; RUNNING THENCE EAST ON THE NORTH LINE OF SAID ALLEY TO A POINT 180 FEET WEST OF SAID WEST BOUNDARY LINE OF LINCOLN PARK; RUNNING THENCE SOUTHERLY ON THE EAST LINE OF SAID ALLEY TO A POINT 105 FEET NORTH OF THE NORTH LINE OF OAKDALE AVENUE, SAID POINT BEING ON THE NORTH LINE OF THE PREMISES CONVEYED TO FRANK A. HECHT, CLARA K. HECHT AND FRANK A. HECHT, JR. BY DEED DATED NOVEMBER 16, 1917 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS AS DOCUMENT 6231480; RUNNING THENCE EAST ON A LINE PARALLEL WITH THE NORTH LINE OF OAKDALE AVENUE AND BEING THE NORTH LINE OF THE PREMISES CONVEYED TO FRANK A. HECHT, CLARA K. HECHT AND FRANK A. HECHT, JR., 180 FEET TO SAID WEST BOUNDARY LINE OF LINCOLN PARK AND RUNNING THENCE NORTH ALONG SAID WEST BOUNDARY LINE OF LINCOLN PARK TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THAT PART OF LOTS 2 AND 3 IN THE ASSESSOR'S DIVISION OF LOTS 1 AND 2 IN A SUBDIVISION BY THE CITY OF CHICAGO OF THE EAST FRACTIONAL HALF OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN AND OF THE ACCRETIONS EAST OF AND ADJOINING SAID PREMISES DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT IN THE WEST BOUNDARY LINE OF LINCOLN PARK, AS ESTABLISHED BY DECREE OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS, ENTERED OCTOBER 31, 1904 IN CASE 256886, WHERE SAID BOUNDARY LINE IS INTERSECTED BY THE NORTH LINE OF OAKDALE AVENUE THENCE NORTH ALONG SAID BOUNDARY LINE 55 FEET; THENCE WEST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID OAKDALE AVENUE 180 FEET; THENCE SOUTH PARALLEL WITH THE BOUNDARY LINE OF LINCOLN PARK AS ESTABLISHED IN CASE 256886, 55 FEET TO THE NORTH LINE OF SAID OAKDALE AVENUE; THENCE EAST ALONG THE NORTH LINE OF SAID OAKDALE AVENUE 180 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

Common Address: 2960 N. Lake Shore Drive, Chicago, Illinois 60659

Tax Identification No.: 14-28-203-029-0000

Freddie Mac Loan No. 002731738

EXHIBIT B

RELATED LOANS, RELATED BORROWERS, RELATED PROPERTIES

Related Loan Amount	Related Borrower	Related Property Name	Related Property Location
$11,650,000.00	Brookdale Living Communities of Arizona – EM, LLC, a Delaware limited liability company	The Springs at East Mesa	Maricopa County, Arizona
$4,460,000.00	Brookdale Living Communities of New York – GB, LLC, a Delaware limited liability company	The Gables at Brighton	Monroe County, New York
$10,000,000.00	Brookdale Living Communities of Washington – PP, LLC, a Delaware limited liability company	Park Place Retirement Community	Spokane County, Washington

Freddie Mac Loan No. 002731738

EXHIBIT E

AMENDED AND RESTATED GUARANTY
MULTISTATE
(for use in all jurisdictions except California)
REVISION DATE 3-17-03

This Amended and Restated Guaranty ("**Guaranty**") is entered into to be effective as of October 30, 2003, by the undersigned person(s) (the "**Guarantor**" jointly and severally if more than one), for the benefit of FEDERAL HOME LOAN MORTGAGE CORPORATION, a corporation organized and existing under the laws of the United States (the "**Lender**").

RECITALS

A. SPTBROOK PROPERTIES TRUST, a Maryland real estate investment trust ("SPTBrook") obtained a mortgage loan (the "Loan") from GLASER FINANCIAL GROUP, INC., a Minnesota corporation ("Glaser"), which loan is secured by certain Land and Improvements (the "Property") located in the City of Chicago, County of Cook, Illinois, as more particularly described in the Security Instrument, as defined below.

B. SPTBrook executed that certain Multifamily Note evidencing the Loan, dated October 30, 2000 in the original principal amount of Sixty-Three Million Eight Hundred Ninety Thousand and No/100ths Dollars (US $63,890,000.00) payable to Glaser, as endorsed and assigned to Lender by Glaser by that certain Allonge to Multifamily Note dated October 30, 2000, and as assumed by BROOKDALE LIVING COMMUNITIES OF ILLINOIS-2960, LLC, a Delaware limited liability company ("Borrower") and amended and modified by the Assumption Agreement dated as of the date hereof by and between SPTBrook, Borrower, Guarantor and Lender (the "Assumption Agreement"). The Multifamily Note as assigned, assumed and modified is collectively referred to herein as the "Note".

C. The Guarantor guaranteed payment of certain amounts due under the Note by executing that certain Limited Guaranty dated October 30, 2000 (the "Original Guaranty").

D. To secure repayment of the Loan, SPTBrook executed and delivered to Glaser, a certain Multifamily Mortgage, Assignment of Rents, and Security Agreement dated October 30, 2000, and recorded in the Office of the County Recorder, Cook County, Illinois (the "Land Records"), on November 3, 2000 as Document No. 00870096, as assigned by Glaser to Lender by the Assignment of Security Instrument dated October 30, 2000 and recorded in the Land Records on November 3, 2000 as Document No. 00870101 and as assumed by Borrower and amended and modified by the Assumption Agreement. The Multifamily Mortgage, Assignment

of Rents, and Security Agreement as assigned, assumed and modified is collectively referred to herein as the "Security Instrument". Any capitalized terms used in this Guaranty and not defined herein shall have the meaning ascribed to them in the Security Instrument.

E. As additional security for the Loan, SPTBrook and Glaser entered into the Cross-Collateralization Agreement, and Amendment to Multifamily Mortgage/Deed of Trust, Assignment of Rents and Security Agreement (Fee Mortgages), dated October 30, 2000, and recorded in the Land Records on November 3, 2000 as Document No. 00870097, as assigned by Glaser to Lender by the Assignment of Cross-Collateralization Agreement (Fee Mortgages), dated October 30, 2000 and recorded in the Land Records on November 3, 2000 as Document No. 00870102, and amended and restated by the Amended and Restated Cross-Collateralization Agreement, and Amendment to Multifamily Mortgage/Deed of Trust, Assignment of Rents and Security Agreement dated as of the date hereof by and between Lender and Borrower. The Cross-Collateralization Agreement, and Amendment to Multifamily Mortgage/Deed of Trust, Assignment of Rents and Security Agreement (Fee Mortgages) as amended and restated is collectively referred to herein as the "Cross-Collateralization Agreement".

F. SPTBrook demised the Property to Borrower pursuant to that certain Lease, dated as of October 30, 2000, between SPTBrook as lessor/landlord and Borrower as lessee/tenant, a memorandum of which was recorded in the Land Records on November 3, 2000, as Document No. 00870098 (the "Operating Lease").

G. Borrower has agreed to assume all of SPTBrook's rights, obligations, and liabilities created or arising under the Loan Documents, with certain modifications (the "Assumption"), as set forth in the Assumption Agreement.

H. As a condition to consenting to the Transfer, the Assumption and the cancellation of the Operating Lease, Lender requires that the Guarantor execute this Guaranty as an amendment to and restatement of the Original Guaranty.

I. Guarantor represents to Lender that Guarantor owns 100% of the shares of Borrower and continues to have a direct or indirect ownership in Borrower and derives a material financial benefit from the Loan, the Transfer and the Assumption.

NOW, THEREFORE, in order to induce Lender to consenting to the Transfer, the Assumption and the cancellation of the Operating Lease, and in consideration thereof, Guarantor agrees as follows:

1. **Amendment and Restatement**. This Amended and Restated Guaranty amends, restates and replaces in its entirety the Original Guaranty.

2. **Defined Terms. "Indebtedness," "Loan Documents" and "Property Jurisdiction"** and other capitalized terms used but not defined in this Guaranty shall have the meanings assigned to them in the Security Instrument.

3. **Scope of Guaranty.**

(a) Guarantor hereby absolutely, unconditionally and irrevocably guarantees to Lender:

(i) the full and prompt payment when due, whether at the Maturity Date or earlier, by reason of acceleration or otherwise, and at all times thereafter, of each of the following:

(A) a portion of the Indebtedness equal to five percent (5.0%) of the original principal balance of the Note (the "Base Guaranty"); and

(B) in addition to the Base Guaranty, all other amounts for which Borrower is personally liable under Sections 9(c), 9(d), 9(e) and 9(f) of the Note; and

(C) all costs and expenses, including reasonable Attorneys' Fees and Costs incurred by Lender in enforcing its rights under this Guaranty; and

(ii) the full and prompt payment and performance when due of all of Borrower's obligations under Section 18 of the Security Instrument.

(b) If the Base Guaranty stated in Section 3(a)(i)(A) is 100 percent of the original principal balance of the Note, then (i) the Base Guaranty shall mean and include the full and complete guaranty of payment of the entire Indebtedness and the performance of all Borrower's obligations under the Loan Documents; and (ii) for so long as the Base Guaranty remains in effect (there being no limit to the duration of the Base Guaranty unless otherwise expressly provided in this Guaranty), the obligations guaranteed pursuant to Sections 3(a)(i)(B), 3(a)(i)(C) and Section 4 shall be part of, and not in addition to or in limitation of, the Base Guaranty.

If the Base Guaranty stated in Section 3(a)(i)(A) is less than 100 percent of the original principal balance of the Note, then this Section 3(b) shall be completely inapplicable and shall be treated as if not a part of this Guaranty.

(c) If Guarantor is not liable for the entire Indebtedness, then all payments made by Borrower with respect to the Indebtedness and all amounts received by Lender from the enforcement of its rights under the Security Instrument and the other Loan Documents (except this Guaranty) shall be applied first to the portion of the Indebtedness for which neither Borrower nor Guarantor has personal liability.

4. Additional Guaranty Relating to Bankruptcy.

(a) Notwithstanding any limitation on liability provided for elsewhere in this Guaranty, Guarantor hereby absolutely, unconditionally and irrevocably guarantees to Lender the full and prompt payment when due, whether at the Maturity Date or earlier, by reason of acceleration or otherwise, and at all times thereafter, the entire Indebtedness, in the event that:

(i) Borrower voluntarily files for bankruptcy protection under the United States Bankruptcy Code; or

(ii) Borrower voluntarily becomes subject to any reorganization, receivership, insolvency proceeding, or other similar proceeding pursuant to any other federal or state law affecting debtor and creditor rights; or

(iii) an order of relief is entered against Borrower pursuant to the United States Bankruptcy Code or other federal or state law affecting debtor and creditor rights in any involuntary bankruptcy proceeding initiated or joined in by a "**Related Party**."

(b) For purposes of this Section, the term "Related Party" means:

(i) Borrower or Guarantor; and

(ii) any person or entity that holds, directly or indirectly, any ownership interest in or right to manage Borrower or Guarantor, including without limitation, any shareholder, member or partner of Borrower or Guarantor; and

(iii) any person or entity in which any ownership interest (direct or indirect) or right to manage is held by Borrower, Guarantor or any partner, shareholder or member of, or any other person or entity holding an interest in, Borrower or Guarantor; and

(iv) any other creditor of Borrower that is related by blood, marriage or adoption to Borrower, Guarantor or any partner, shareholder or member

of, or any other person or entity holding an interest in, Borrower or Guarantor.

(c) If Borrower, Guarantor or any Related Party has solicited creditors to initiate or participate in any proceeding referred to in this Section, regardless of whether any of the creditors solicited actually initiates or participates in the proceeding, then such proceeding shall be considered as having been initiated by a Related Party.

5. **Guarantor's Obligations Survive Foreclosure.** The obligations of Guarantor under this Guaranty shall survive any foreclosure proceeding, any foreclosure sale, any delivery of any deed in lieu of foreclosure, and any release of record of the Security Instrument, and, in addition, the obligations of Guarantor relating to Borrower's obligations under Section 18 of the Security Instrument shall survive any repayment or discharge of the Indebtedness. Notwithstanding the foregoing, if Lender has never been a mortgagee-in-possession of or held title to the Mortgaged Property, Guarantor shall have no obligation under this Guaranty relating to Borrower's obligations under Section 18 of the Security Instrument after the date of the release of record of the lien of the Security Instrument as a result of the payment in full of the Indebtedness on the Maturity Date or by voluntary prepayment in full.

6. **Guaranty of Payment and Performance.** Guarantor's obligations under this Guaranty constitute an unconditional guaranty of payment and performance and not merely a guaranty of collection.

7. **No Demand by Lender Necessary; Waivers by Guarantor.** The obligations of Guarantor under this Guaranty shall be performed without demand by Lender and shall be unconditional regardless of the genuineness, validity, regularity or enforceability of the Note, the Security Instrument, or any other Loan Document, and without regard to any other circumstance which might otherwise constitute a legal or equitable discharge of a surety, a guarantor, a borrower or a mortgagor. Guarantor hereby waives, to the fullest extent permitted by applicable law:

(a) the benefit of all principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms of this Guaranty and agrees that Guarantor's obligations shall not be affected by any circumstances, whether or not referred to in this Guaranty, which might otherwise constitute a legal or equitable discharge of a surety, a guarantor, a borrower or a mortgagor;

(b) the benefits of any right of discharge under any and all statutes or other laws relating to a guarantor, a surety, a borrower or a mortgagor, and any other rights of a surety, a guarantor, a borrower or a mortgagor under such statutes or laws;

(c) diligence in collecting the Indebtedness, presentment, demand for payment, protest, all notices with respect to the Note and this Guaranty which may be required by statute, rule of law or otherwise to preserve Lender's rights against Guarantor under this Guaranty, including, but not limited to, notice of acceptance, notice of any amendment of the Loan Documents, notice of the occurrence of any default or Event of Default, notice of intent to accelerate, notice of acceleration, notice of dishonor, notice of foreclosure, notice of protest, and notice of the incurring by Borrower of any obligation or indebtedness;

(d) all rights to cause a marshalling of the Borrower's assets or to require Lender to:

(i) proceed against Borrower or any other guarantor of Borrower's payment or performance under the Loan Documents (an "**Other Guarantor**");

(ii) proceed against any general partner of Borrower or any Other Guarantor if Borrower or any Other Guarantor is a partnership;

(iii) proceed against or exhaust any collateral held by Lender to secure the repayment of the Indebtedness; or

(iv) pursue any other remedy it may now or hereafter have against Borrower, or, if Borrower is a partnership, any general partner of Borrower;

(e) any right to object to the timing, manner or conduct of Lender's enforcement of its rights under any of the Loan Documents; and

(f) any right to revoke this Guaranty as to any future advances by Lender under the terms of the Security Instrument to protect Lender's interest in the Mortgaged Property.

8. Modification of Loan Documents. At any time or from time to time and any number of times, without notice to Guarantor and without affecting the liability of Guarantor, Lender may:

(a) extend the time for payment of the principal of or interest on the Indebtedness or renew the Indebtedness in whole or in part;

(b) extend the time for Borrower's performance of or compliance with any covenant or agreement contained in the Note, the Security Instrument or any other Loan Document, whether presently existing or hereinafter entered into, or waive such performance or compliance;

(c) accelerate the Maturity Date of the Indebtedness as provided in the Note, the Security Instrument, or any other Loan Document;

(d) with Borrower, modify or amend the Note, the Security Instrument, or any other Loan Document in any respect, including, but not limited to, an increase in the principal amount; and/or

(e) modify, exchange, surrender or otherwise deal with any security for the Indebtedness or accept additional security that is pledged or mortgaged for the Indebtedness.

9. **Joint and Several Liability.** The obligations of Guarantor (and each party named as a Guarantor in this Guaranty) and any Other Guarantor shall be joint and several. Lender, in its sole and absolute discretion, may:

(a) bring suit against Guarantor, or any one or more of the parties named as a Guarantor in this Guaranty, and any Other Guarantor, jointly and severally, or against any one or more of them;

(b) compromise or settle with Guarantor, any one or more of the parties named as a Guarantor in this Guaranty, or any Other Guarantor, for such consideration as Lender may deem proper;

(c) release one or more of the parties named as a Guarantor in this Guaranty, or any Other Guarantor, from liability; and

(d) otherwise deal with Guarantor and any Other Guarantor, or any one or more of them, in any manner, and no such action shall impair the rights of Lender to collect from Guarantor any amount guaranteed by Guarantor under this Guaranty.

10. **Subordination of Borrower's Indebtedness to Guarantor.** Any indebtedness of Borrower held by Guarantor now or in the future is and shall be subordinated to the Indebtedness and Guarantor shall collect, enforce and receive any such indebtedness of Borrower as trustee for Lender, but without reducing or affecting in any manner the liability of Guarantor under the other provisions of this Guaranty.

11. **Waiver of Subrogation.** Guarantor shall have no right of, and hereby waives any claim for, subrogation or reimbursement against Borrower or any general partner of Borrower by reason of any payment by Guarantor under this Guaranty, whether such right or claim arises at law or in equity or under any contract or statute, until the Indebtedness has been

paid in full and there has expired the maximum possible period thereafter during which any payment made by Borrower to Lender with respect to the Indebtedness could be deemed a preference under the United States Bankruptcy Code.

12. **Preference.** If any payment by Borrower is held to constitute a preference under any applicable bankruptcy, insolvency, or similar laws, or if for any other reason Lender is required to refund any sums to Borrower, such refund shall not constitute a release of any liability of Guarantor under this Guaranty. It is the intention of Lender and Guarantor that Guarantor's obligations under this Guaranty shall not be discharged except by Guarantor's performance of such obligations and then only to the extent of such performance.

13. **Financial Statements.** Guarantor, from time to time upon written request by Lender, shall deliver to Lender such financial statements as Lender may reasonably require.

14. **Assignment.** Lender may assign its rights under this Guaranty in whole or in part and upon any such assignment, all the terms and provisions of this Guaranty shall inure to the benefit of such assignee to the extent so assigned. The terms used to designate any of the parties herein shall be deemed to include the heirs, legal representatives, successors and assigns of such parties, and the term "**Lender**" shall also include any lawful owner, holder or pledgee of the Note. Reference in this Guaranty to "person" or "persons" shall be deemed to include individuals and entities.

15. **Complete and Final Agreement.** This Guaranty and the other Loan Documents represent the final agreement between the parties and may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements. There are no unwritten oral agreements between the parties. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Guaranty and the other Loan Documents. Guarantor acknowledges that Guarantor has received a copy of the Note and all other Loan Documents. Neither this Guaranty nor any of its provisions may be waived, modified, amended, discharged, or terminated except by a writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge, or termination is sought, and then only to the extent set forth in that writing.

16. **Governing Law.** This Guaranty shall be governed by the law of the Property Jurisdiction.

17. **Jurisdiction; Venue.** Guarantor agrees that any controversy arising under or in relation to this Guaranty may be litigated in the Property Jurisdiction, and that the state and federal courts and authorities with jurisdiction in the Property Jurisdiction shall have

jurisdiction over all controversies which shall arise under or in relation to this Guaranty. Guarantor irrevocably consents to service, jurisdiction and venue of such courts for any such litigation and waives any other venue to which it might be entitled by virtue of domicile, habitual residence or otherwise. However, nothing herein is intended to limit Lender's right to bring any suit, action or proceeding relating to matters arising under this Guaranty against Guarantor or any of Guarantor's assets in any court of any other jurisdiction.

18. **Guarantor's Interest in Borrower.** Guarantor represents to Lender that Guarantor has a direct or indirect ownership or other financial interest in Borrower and/or will otherwise derive a material financial benefit from the making of the Loan.

19. **COMMUNITY PROPERTY AND STATE-SPECIFIC PROVISIONS (Illinois): N/A**

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

ATTACHED EXHIBIT. The following Exhibit is attached to this Guaranty:

|X| Exhibit A Modifications to Guaranty

(*Signature Page to Follow*)

Freddie Mac Loan No. 002731738

IN WITNESS WHEREOF, Guarantor has signed and delivered this Guaranty under seal or has caused this Guaranty to be signed and delivered under seal by its duly authorized representative.

BROOKDALE LIVING COMMUNITIES, INC., a Delaware corporation

By:_____
Name: R. Stanley Young
Its: Executive Vice President / Chief Financial Officer / Treasurer

Address for Notice to Guarantor: 330 North Wabash Avenue, Suite 1400
Chicago, Illinois 60611

STATE OF _____)
) SS
COUNTY OF _____)

On this _____ day of _____, 2003, before me, the undersigned, a Notary Public in and for said state, personally appeared R. Stanley Young personally known to me, or proved to me on the basis of satisfactory evidence, to be the person who executed the within instrument as the Executive Vice President / Chief Financial Officer / Treasurer of BROOKDALE LIVING COMMUNITIES, INC., a Delaware corporation, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

Signature:_____
Name:_____
My Commission Expires:_____

Freddie Mac Loan No. 002731738

EXHIBIT A

MODIFICATIONS TO GUARANTY

The following modifications are made to the text of the Guaranty that precedes this Exhibit:

1. Paragraph 3(a)(i)(A) is deleted in its entirety and replaced with the following:

(a) A portion of the Indebtedness equal to five percent (5%) of the original principal balance of the Note (the "Base Guaranty").

The liability of Guarantor under this Subparagraph 3(a)(i)(A) only shall be reduced to zero if the following conditions have been met:

(i) Lender has received a written request from the Guarantor to reduce the liability of Guarantor ("Release Request");

(ii) Lender has determined (in Lender's sole discretion) that the Property has achieved a Debt Service Coverage Ratio of 1.35 or more for 12 consecutive months prior to the Release Request (as used herein, "Debt Service Coverage Ratio" means the ratio, as determined by Lender in its sole discretion, of (i) the net operating income of the Property that, during the last twelve (12) full calendar months preceding the Release Request was available for repayment of debt, after deducting Operating Expenses, to (ii) the principal and interest that will be payable under the Loan during the twelve (12) full calendar months following the Release Request), and the overall Debt Service Coverage Ratio for the Total Property (as defined in the Cross-Collateralization Agreement), is at least 1.40 or more for the 12 consecutive months prior to the Release Request;

(iii) Lender has determined (in Lender's sole discretion) that the Property has a Loan to Value Ratio (as used herein, "Loan to Value Ratio" means the ratio, as determined by Lender in its sole discretion of (a) the outstanding principal balance of the Indebtedness to (b) the value of the Property as determined by Lender in its sole discretion, expressed as a percentage) at the time of the Release Request of no greater than 75%, and the overall Loan to Value Ratio for the Total Property at the time of the Release Request is no greater than 75%; and

(iv) There is not an Event of Default under any Loan Document or any event which with the giving of notice or the passage of time would become an Event of Default.

The reduction of the Base Guaranty to zero under this Subparagraph 3(a)(i)(A) shall not reduce Guarantor's liability under any other provision of this Guaranty. Lender's determination of Debt Service Coverage Ratio and Loan to Value Ratio shall be in Lender's sole discretion based upon Lender's then current underwriting criteria. Lender shall not be limited to, or required to utilize any prior underwriting criteria."

2. A new Paragraph 21 is added to the Guaranty at the end of the numbered paragraphs entitled "Cross-Collateralization" as follows:

21. CROSS COLLATERALIZATION. The obligations of Guarantor shall not be impaired or in any way limited by (i) the existence of any Event of Default by the Borrower or any other party (other than Lender) under the Cross-Collateralization Agreement, (ii) any action taken by Lender to enforce its rights under or realize upon collateral for any of the "Loans" as defined in the Cross-Collateralization Agreement other than the Loan to which this Guaranty relates, (iii) the fact that Lender may be seeking to realize upon some but not all of the collateral for the "Loans" as defined in the Cross-Collateralization Agreement, or (iv) the exercise or not, concurrently, consecutively or otherwise, of any of the rights or remedies available to Lender under the Cross-Collateralization Agreement or applicable law.

3. A new Paragraph 22 is added to the Guaranty at the end of the numbered paragraphs entitled "Minimum Net Worth" as follows:

22. MINIMUM NET WORTH. For so long as Guarantor has liability for the 5% Base Guaranty, Guarantor will maintain a minimum net worth of at least $100,000,000.00 (the "Minimum Net Worth"). Guarantor shall deliver semi-annual financial statements prepared in accordance with GAAP satisfactory to Lender to evidence that it has the requisite Minimum Net Worth. In the event that Lender determines that Guarantor does not have the required Minimum Net Worth, Guarantor shall have a period of 60 days in which to bring itself into compliance with the Minimum Net Worth Requirement and provide evidence satisfactory to Lender, failing which, it will be an Event of Default under the Security Instrument .

4. All capitalized terms used in this Exhibit not specifically defined herein shall have the meanings set forth in the text of the Guaranty that precedes this Exhibit.

BORROWER'S INITIALS

Freddie Mac Loan No. 002731738

EXHIBIT F

ADDITIONAL OBLIGATIONS OF NEW BORROWER

NONE