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Eugene "Gene" Moore Fee: \$118.00
Cook County Recorder of Deeds
Date: 11/01/2004 02:23 PM Pg: 1 of 48

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11/5/2004
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Freddie Mac Loan No. 002731738

PREPARED BY AND AFTER
RECORDING RETURN TO:

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

CONSENT TO TRANSFER AND MODIFICATION AGREEMENT

THIS CONSENT TO TRANSFER AND MODIFICATION AGREEMENT is made effective as of the 19th day of October, 2004, by and among BROOKDALE LIVING COMMUNITIES OF ILLINOIS-2960, LLC, a Delaware limited liability company, formerly known as BROOKDALE LIVING COMMUNITIES OF ILLINOIS-2960, INC., a Delaware corporation ("Borrower"); the FEDERAL HOME LOAN MORTGAGE CORPORATION, a corporation organized and existing under the laws of the United States ("Noteholder"); PSLT-BLC PROPERTIES HOLDINGS, LLC, a Delaware limited liability company, formerly known as BROOKDALE LIVING COMMUNITIES, INC., a Delaware corporation ("Guarantor").

RECITALS

- A. SPTBROOK Properties Trust, a Maryland real estate investment trust ("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, State of 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 Eleven Million Six Hundred Fifty Thousand and No/100 Dollars (US \$63,890,000.00) payable to Original Lender (the

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Freddie Mac Loan No. 002731738

"Note"). The Note was endorsed and assigned to Noteholder by Original Lender by that certain Allonge to Multifamily Note dated October 30, 2000.

- C. To secure repayment of the Loan, Original Borrower executed and delivered to Original Lender, a Multifamily Mortgage, Assignment of Rents, and Security Agreement (the "Security Instrument") dated October 30, 2000, and recorded in the Office of the County Recorder, Cook County, Illinois, on November 3, 2000 as on November 3, 2000 as Document No. 00870096, as assigned to the Federal Home Loan Mortgage Corporation 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.
- D. As additional security for the Loan, Original Borrower and Original Lender executed 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 Office of the County Recorder, Cook County, Illinois, on November 3, 2000 as Document No. 00870097, as assigned to Federal Home Loan Mortgage Corporation 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. 00870097, as amended by the Amended and Restated Cross-Collateralization Agreement and Amendment to Multifamily Deed of Trust Mortgage, Assignment of Rents and Security Agreement dated October 30, 2003, and recorded in the Office of the County Recorder, Cook County, Illinois, on November 17, 2003 as Document No. 0332131198 (the "Cross-Collateralization Agreement").
- E. Pursuant to the Assumption Agreement dated October 30, 2003 executed by and among the Original Borrower, Borrower, Lender and Brookdale Living Communities, Inc., and recorded in the Office of the County Recorder, Cook County, Illinois, on November 17, 2003 as Document No. 0332131197, Borrower assumed all of Original Borrower's rights, obligations, and liabilities created or arising under the Note, Security Instrument and other document executed by Original Borrower in connection with the Loan and executed additional documents as required by the Noteholder all of which document are listed on Exhibit B to this Agreement (the "Loan Documents"). Any capitalized terms used in this Agreement and not defined herein shall have the meaning ascribed to them in the Security Instrument, as modified by the Assumption Agreement.
- F. The Guarantor guaranteed payment of certain amounts due under the Note by executing that certain Exceptions to Non-Recourse Guaranty dated October 30, 2000, as amended and restated in the Amended and Restated Guaranty dated February 1, 2004 (collectively the "Guaranty").
- G. 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

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Freddie Mac Loan No. 002731738

to the Security Instrument, the Guaranty 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.

- H. Borrower requests that Noteholder consent to the following conversions of organizational status and transfers of interests in the Guarantor and in the Property (collectively the "Transfers"):
1. The transfer of one hundred percent (100%) of the ownership interests in Guarantor to PSLT OP, L.P., a Delaware limited partnership ("PSLT OP") in which (i) a 1% general partnership interest is owned by PSLT GP, LLC, a Delaware limited liability company, (ii) a 97.81% limited partnership interest is owned by Provident Senior Living Trust, a Maryland Real Estate Investment Trust ("Provident"), and (iii) 1.19% of the limited partnership interests are owned by other limited partners (the "Guarantor Transfer"); and
 2. A conversion of the Guarantor from a Delaware corporation to a Delaware limited liability company;
 3. A conversion of the Borrower from a Delaware corporation to a Delaware limited liability company;
 4. The leasing of the Property to BLC-The Hallmark, LLC, a Delaware limited liability company ("Operator") pursuant to a certain Lease dated October 19, 2004 entered into by and between Borrower and Operator ("Lease") for the operation of the Property which Lease shall at all times be fully subordinate to the Security Instrument and the lien thereof.
 5. The management of the Property, pursuant to a certain Management Agreement dated October 19, 2004 (the "Management Agreement") entered into by and between Operator and Brookdale Provident Management LLC ("Property Manager") for the management of the Property which Management Agreement shall at all times be fully subordinate to the Security Instrument and the lien thereof.
- I. Guarantor has agreed to remain liable and to amend, restate and reaffirm the Guaranty with certain modifications described in Exhibit C to this Agreement.
- J. Subject to the full satisfaction of all conditions set forth below, the Noteholder has agreed to consent to the Transfers.

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:

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Freddie Mac Loan No. 002731738

1. Consent to Transfer. Noteholder hereby consents to the Transfers, subject to the terms and conditions set forth in this Agreement. Notwithstanding the Noteholder's consent to the Transfers, 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.
2. Affirmation by New Borrower. New Borrower agrees that the Loan Documents 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. 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 and/or the Security Instrument, except as expressly provided in this Agreement. 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. Modification of Note and Security Instrument. Borrower and Noteholder agree that the provisions of the Loan Documents are modified as set forth on Exhibit C to this Agreement.
4. Ratification of Guaranty. By executing this Agreement, Guarantor:
 - a. Ratifies the Guaranty under which it guaranteed payments of certain amounts under the Loan Documents, as more particularly set forth in the Guaranty modified and amended as set forth in Exhibit C attached hereto and incorporated herein by this reference (the "Amended Guaranty");
 - b. Acknowledges that the Guaranty (as modified as set forth in Exhibit C) 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 modified by this Agreement will continue to be guaranteed by the Guarantor as and to the full extent provided in the Guaranty as modified as set forth in Exhibit C attached hereto.
5. Continuing Obligations. Borrower will execute, acknowledge and deliver to Noteholder (i) an amendment to UCC Financing Statement in such form acceptable to Noteholder naming the Borrower (with its new limited liability status) as debtor and the Lender as secured party which will be filed in the Office of the Secretary of

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Freddie Mac Loan No. 002731738

State of Delaware, and Operator will execute, acknowledge and deliver to Noteholder a UCC Financing Statement perfecting the security interests granted by Operator in connection with the Transfers and Borrower and Operator will execute, acknowledge and deliver to Noteholder any other documents as Noteholder or Original Lender may require to document the Transfers described in this Agreement and to more fully effectuate the provisions of this Agreement. The failure of Borrower or Operator to comply with the additional obligations contained in this Section 5 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.

6. Additional Obligations.

a. To induce the Noteholder to consent to the Transfers, in addition to the covenants and agreements set forth in the Loan Documents, Borrower agrees that it will comply with and cause the Operator to comply with the Additional Obligations set forth on Exhibit E to this Agreement, if applicable.

b. The failure of Borrower to comply with or cause the Operator 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.

7. Expenses. Borrower's execution of this Agreement will constitute Borrower's agreement to pay all expenses incurred by the Noteholder in connection with the Transfers, including without limitation the payment of any title endorsement costs, legal costs (including in-house legal costs), attorney's fees and transfer fees required by the Noteholder, provided nothing contained herein shall prohibit Borrower from obtaining reimbursement or seeking contribution for such payments from any other parties.

8. 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.

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Freddie Mac Loan No. 002731738

- 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.
9. 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:

- Exhibit A Legal Description of the Land (required).
- Exhibit B List of Loan Documents (required).
- Exhibit C Modifications to Loan Documents, (required).
- Exhibit D Second Amended and Restated Guaranty.
- Exhibit E Additional Obligations of Borrower and Operator

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

(Signature Pages to Follow)

5

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Freddie Mac Loan No. 002731738

BORROWER:

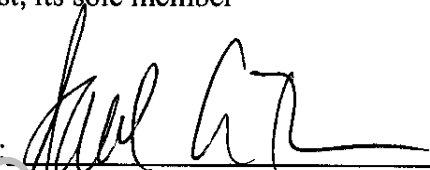
BROOKDALE LIVING COMMUNITIES OF ILLINOIS-2960, LLC, a Delaware limited liability company

By: PSLT-BLC Properties Holdings, LLC, a Delaware limited liability company, its sole member

By: PSLT OP, L.P., a Delaware limited partnership, its sole member

By: PSLT GP, LLC, a Delaware limited liability company, its sole general partner

By: Provident Senior Living Trust, a Maryland real estate investment trust, its sole member

By: 
Saul A. Behar
Its: Senior Vice President

Address for Notice to Borrower:

c/o Provident Senior Living Trust
600 College Road East, Suite 3400
Princeton, NJ 08540
Attention: General Counsel

With a copy to:

Sidley Austin Brown & Wood LLP
787 Seventh Avenue
New York, NY 10019
Attention: Robert Golub, Esq.

Filed for Recording with Cook County Clerk's Office

NCS-121517

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Freddie Mac Loan No. 002731738

STATE OF NJ
COUNTY OF Middlesex SS

On this 18 day of October, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Saul A. Behar, 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 Senior Vice President of Provident Senior Living Trust, a Maryland real estate investment trust, the sole member of PSLT GP, LLC, a Delaware limited liability company, the sole general partner of PSLT OP, L.P., a Delaware limited partnership, the sole member of PSLT-BLC Properties Holdings, LLC, a Delaware limited liability company, the sole member 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: Nancy Mele
Name: Nancy Mele
My Commission Expires: 4/11/05

NANCY MELE
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 4/11/2005

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Freddie Mac Loan No. 002731738

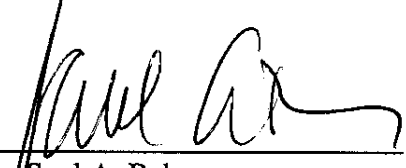
GUARANTOR:

PSLT-BLC PROPERTIES HOLDINGS, LLC, a Delaware limited liability company

By: PSLT OP, L.P., a Delaware limited partnership, its sole member

By: PSLT GP, LLC, a Delaware limited liability company, its sole general partner

By: Provident Senior Living Trust, a Maryland real estate investment trust, its sole member

By: 
Saul A. Behar
Its: Senior Vice President

Address for Notice to Guarantor:

c/o Provident Senior Living Trust
600 College Road, Suite 3400
Princeton, New Jersey 08540
Attention: General Counsel

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Freddie Mac Loan No. 002731738

STATE OF NJ
COUNTY OF Middlesex) SS

On this 14 day of Oct, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Saul A. Behar, 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 Senior Vice President of Provident Senior Living Trust, a Maryland real estate investment trust, the sole member of PSLT GP, LLC, a Delaware limited liability company, the sole general partner of PSLT OP, L.P., a Delaware limited partnership, the sole member of PSLT-BLC Properties Holdings, 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: Nancy Mele
Name: Nancy Mele
My Commission Expires: 11/05

NANCY MELE
NOTARY PUBLIC OF NEW JERSEY
Commission Expires 4/11/2005

PROPERTY OF COOK COUNTY CLERK'S OFFICE

NCS - 121517

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Freddie Mac Loan No. 002731738

This Instrument prepared by, and
after recording return to:

James J. Schwert, Esquire
Oppenheimer Wolff & Donnelly LLP
Plaza VII, Suite 3300
45 S. Seventh Street
Minneapolis, MN 55402-1609

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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

NCS-121517

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14

Freddie Mac Loan No. 002731738

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 43 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

When recorded return to:
Dina M. Frazier
First American Title Insurance Co.
30 N. LaSalle Street, Suite 310
Chicago, IL 60602

Return to

Filed Nov 14 2017
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Freddie Mac Loan No. 002731738

EXHIBIT B**LIST OF LOAN DOCUMENTS**

- 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., as amended by that certain Assumption Agreement dated October 30, 2003 executed by and among the Original Borrower, Borrower, Lender and Brookdale Living Communities, Inc., and recorded in the Office of the County Recorder, Cook County, Illinois, on November 17, 2003 as Document No. 0332131197.
- 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, as amended by that certain Assumption Agreement dated October 30, 2003 executed by and among the Original Borrower, Borrower, Lender and Brookdale Living Communities, Inc., and recorded in the Office of the County Recorder, Cook County, Illinois, on November 17, 2003 as Document No. 0332131197.
- 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, as amended by that certain Assumption Agreement dated October 30, 2003 executed by and among the Original Borrower, Borrower, Lender and Brookdale Living Communities, Inc., and recorded in the Office of the County Recorder, Cook County, Illinois, on November 17, 2003 as Document No. 0332131197.

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Freddie Mac Loan No. 002731738

- 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, as amended by that certain Assumption Agreement dated October 30, 2003 executed by and among the Original Borrower, Borrower, Lender and Brookdale Living Communities, Inc., and recorded in the Office of the County Recorder, Cook County, Illinois, on November 17, 2003 as Document No. 0332131197.

Property of Cook County Clerk's Office

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Freddie Mac Loan No. 002731738

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 Brookdale Living Communities of Illinois-2960, LLC, a Delaware limited liability company.
- B. Modifications to Note. Schedule B, Modifications to the Multifamily Note, attached to the Note and incorporated therein, and as modified by the Assumption Agreement, is amended and modified to re-insert in their entirety Paragraphs 2 and 3. Paragraphs 6 and 7 remain deleted.
- C. Modifications to Security Instrument. See Exhibit C-I attached hereto and incorporated herein by this reference.
- D. Modification to Guaranty. The Guaranty shall be amended and restated in its entirety to conform to the Second Amended and Restated Guaranty attached hereto as Exhibit D. Guarantor shall execute the Second Amended and Restated Guaranty in the form attached hereto as Exhibit D in conjunction with and contemporaneously with the execution of the Agreement to which this Exhibit C is attached.

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Freddie Mac Loan No. 002731738

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, the Operating Lease and all guarantees of Operating Lease and such other leases" 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. The definition of "Transfer" in Section 1(z) is amended to add at the end thereof the following: "Notwithstanding anything in this paragraph to the contrary, a Transfer does not include transfers of Borrower's interest in the Mortgaged Property to the Operator pursuant to the terms of the Operator Lease, provided the Operator assumes the Note, this Instrument and other Loan Documents to the satisfaction of Lender."
7. 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,

NCS-121517

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Freddie Mac Loan No. 002731738

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.

- (bb) 'Management Agreement' means that certain Management Agreement of the Mortgaged Property dated October 19, 2004 entered into by and between BLC-The Hallmark, LLC, a Delaware limited liability company and Brookdale Provident Management, LLC, a Delaware limited liability company, as manager, which Management Agreement is and hereby shall at all times be fully subordinate to this Instrument and the lien thereof.
- (cc) 'Operator Lease' means that certain Property Lease Agreement of the Mortgaged Property dated October 19, 2004 entered into by and between Borrower, as lessor, and BLC-The Hallmark, LLC, a Delaware limited liability company, as lessee, which lease is and hereby shall at all times be fully subordinate to this Instrument and the lien thereof.
- (dd) 'Operator' shall mean BLC-The Hallmark, LLC, a Delaware limited liability company.
- (ee) 'Property Manager' shall mean Brookdale Provident Management, LLC, a Delaware limited liability company.
8. Section 4(a) is amended by adding after the words "under the Leases" in the second and third lines, and before the words ", including Borrower's right", the words "(including but not limited to the Operating Lease)" and by deleting the period at the end of the second sentence and adding at the end of the second sentence, the following, "including, but not limited to, the Operating Lease."
9. Section 4(b) is amended by adding the following sentence at the end thereof:
- "Should Borrower fail to enforce any of the terms, covenants or provisions of the Operating Lease, such failure shall, at Lender's option, constitute an Event of Default hereunder and Borrower does hereby appoint irrevocably the Lender its true and lawful attorney in its name and stead, which appointment is coupled with an interest and irrevocable to perform and enforce any and all rights and remedies of Borrower under the Operating Lease upon written notice to Borrower; provided that Lender shall only act under such power of attorney during the continuance of an Event of Default."
10. Section 4(f) is modified by inserting at the beginning of said section, the words "Other than the Operating Lease,".
11. Section 4(f) is further modified by deleting the word "any" from the second sentence and inserting into the second sentence after the "(including" the words "the Operating Lease and any other" prior to the word "Lease".

NCS. 124 517

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Freddie Mac Loan No. 002731738

12. Section 4(g) is modified by replacing the words "Borrower shall not receive" with the words "Neither Borrower nor Operator shall receive".
13. 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."

14. 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,
 water and sewer charges,
 ground rents,
 assessments or other charges.

Borrower must provide or cause to be provided to Lender 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)."

15. The period at the end of Section 13 is deleted and there is added at the end thereof the following: "and upon reasonable notice."
16. 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."
17. There is inserted in Section 14(a) the words "or cause to be kept and maintained" immediately following the words "shall keep and maintain".
18. There is inserted in Section 14(b) the words "or cause to be furnished, as applicable" immediately following the words "Borrower shall furnish"
19. 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

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NES. 121 517

UNOFFICIAL COPY

Freddie Mac Loan No. 002731738

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."

20. There is inserted in Section 14(c) the words "or Operator, as applicable" prior to the comma, but immediately following the occurrence of the word, "Borrower", in the second line.
21. There is inserted in Section 14(d) the words "or cause to be provided" immediately following the words "fails to provide".
22. There is inserted in Section 14(e) the words "or cause to be delivered" immediately following the words "shall deliver".
23. There is inserted in Section 15(b) the words "or cause to be paid" immediately following the words "Borrower shall pay" in the first line.
24. There is inserted in the first line of Section 17 the words "and/or the Operator, as applicable" after the word "Borrower" and the word "material" is inserted after the word "commit" and before the word "waste".
25. There is inserted in line 7 of Section 17 after the word "Fixtures" and before the word "with" the words "when necessary".
26. Section 17(a) is modified by (i) inserting the words "or cause to be restored or repaired" immediately following the words "restore or repair" in subclause (3); (ii) inserting the words "or cause to be kept" immediately following the words "shall keep" in subclause (4); and (iii) inserting the words "or cause to be provided" immediately following the words "shall provide" in subclause (5).
27. Section 17(e) is amended in its entirety to read as follows: "shall provide for professional third party management of the Mortgaged Property by a residential rental property manager familiar with senior housing and assisted living facilities satisfactory to Lender under the Operator Lease or such other contract approved by Lender in writing and"
28. Section 18(a) is amended to add after the words, "cause or permit" and before the words "any of" in line 3 thereof the following: "while in possession and operating the Mortgaged Property, and while not in possession and operating the Mortgaged Property, shall not cause or enter into any written modification to the Operator Lease to permit".
29. 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;"
30. 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;"
31. There is deleted from Section 18(a)(3) in line 3 thereof the following: "or may be".

NCS - 121517

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Freddie Mac Loan No. 002731738

32. 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".
33. There is added in Section 18(f)(3) after the words "untrue" and before the word "after" the following: "in any material respect".
34. There is added in line 5 of Section 18(h) after the words "required by" the word "such".
35. 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."
36. There is inserted in Section 19(a) the words "or cause to be kept" immediately following the words "Borrower shall keep" in the first line.
37. 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)."
38. There is inserted in the fifth sentence of Section 19(b) the words "or cause to be delivered" immediately following the words "promptly deliver".
39. 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."
40. There is inserted in Section 19(c) the words "or cause to be maintained" immediately following the words "Borrower shall maintain" in the first line.
41. There is inserted in Section 19(e) the words "or cause to be complied" immediately following the words "Borrower shall comply" in the first line.
42. 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."
43. 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:

NCS 121517

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Freddie Mac Loan No. 002731738

“, 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.”

44. 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”.
45. 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.

46. Section 21(a) is deleted in its entirety and replaced with the following:

“(a) The occurrence of any of the following events shall constitute an Event of Default under this Instrument:

- (1) a Transfer of all or any part of the Mortgaged Property or any interest in the Mortgaged Property, including but not limited to, a Transfer of the Operator’s interest in the Operating Lease;
- (2) if Borrower or Operator is a limited partnership, a Transfer of (A) any general partnership interest, or (B) limited partnership interests in Borrower or Operator that would cause the Initial Owners of Borrower or Operator to own less than 51% of all limited partnership interests in Borrower or Operator;
- (3) if Borrower or Operator is a general partnership or a joint venture, a Transfer of any general partnership or joint venture interest in Borrower or Operator;
- (4) if Borrower or Operator is a limited liability company, a Transfer of (A) any membership interest in Borrower or Operator which would cause the Initial Owners to own less than 51% of all the membership interests in Borrower or Operator, or (B) any membership or other interest of a manager in Borrower or Operator;

NKS - 121517

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Freddie Mac Loan No. 002731738

- (5) if Borrower or Operator is a corporation, (A) the Transfer of any voting stock in Borrower or Operator which would cause the Initial Owners to own less than 51% of any class of voting stock in Borrower or Operator, or (B) if the outstanding voting stock in Borrower or Operator is held by 100 or more shareholders, one or more transfers by a single transferor within a 12-month period affecting an aggregate of 5% or more of that stock;
- (6) if Borrower or Operator is a trust, (A) a Transfer of any beneficial interest in Borrower or Operator which would cause the Initial Owners to own less than 51% of all the beneficial interests in Borrower or Operator, or (B) the termination or revocation of the trust, or (C) the removal, appointment or substitution of a trustee of Borrower or Operator;
- (7) a Transfer of any interest in a Controlling Entity which, if such Controlling Entity were Borrower or Operator, would result in an Event of Default under any of Sections 21(a)(1) through (6) above; and

Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default in order to exercise any of its remedies with respect to an Event of Default under this Section 21."

47. 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;"
48. 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."
49. 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".
50. 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

Freddie Mac Loan No. 002731738

NCS-12/5/17

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Freddie Mac Loan No. 002731738

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.”

51. The following new Sections 21(b)(7), (8), (9), (10) and (11) are added immediately following Section 21(b)(6):
- “(7) Notwithstanding anything herein to the contrary, none of (a) the sale, pledge or transfer of the ownership interests in PSLT-OP, L.P., a Delaware limited partnership (“PSLT-OP”), or (b) the creation or issuance of new ownership interests in PSLT-OP, or (c) the sale, pledge or transfer of any ownership interest in any entity owning a partnership interest in PSLT-OP, in any such event, shall constitute an Event of Default.
 - (8) An initial public offering of Brookdale Living Communities, Inc., a Delaware corporation formerly known as BLC Senior Holdings, Inc., a Delaware corporation (“New Brookdale”) or (ii) any direct or indirect Transfer of the ownership interests in New Brookdale.
 - (9) The Transfer by New Brookdale of its interest in Brookdale Provident Properties, LLC, a Delaware limited liability company (“BLC Holdings”) to a subsidiary at least fifty-one percent (51%) which is owned by New Brookdale, provided that BLC Holdings provides Lender at least thirty (30) days’ prior written notice of such Transfer, BLC Holdings will continue to be a special purpose entity and New Brookdale delivers an affirmation of its guaranty of the Lease.
 - (10) The Transfer by New Brookdale of all or any part of the ownership interests in any other entity which owns, directly or indirectly, through one or more intermediate entities, an ownership interest in New Brookdale or its subsidiaries to another entity which is wholly owned, directly or indirectly, by New Brookdale.
 - (11) The Transfer or change in the holder of the operating license or permit allowing the Mortgaged Property to operate as a Seniors Housing Facility to Operator or its Property Manager.”
52. 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”.
53. Section 21(c)(4) is amended to add in the last line thereof before the words “multifamily properties” the words “senior housing”.
54. 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

NCS: (21517

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Freddie Mac Loan No. 002731738

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.”

55. Section 22(h) is amended to add after the word “Borrower” and before the words “to perform”, the words “or Operator”.
56. Section 22(j) is amended to add after the word “Borrower” where appearing in all instances in Section 22(j), the words “or Operator”.
57. The period at the end of Section 22(j) is deleted and there is substituted therefore the following: “; and”.
58. 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; and
 - (m) while any Indebtedness remains outstanding, the failure by Operator to exercise any renewal option contained in the Operating Lease or, if the Operating Lease is not renewed or is terminated for any reason, the failure by Borrower to retain professional management of the Mortgaged Property acceptable to Lender in its sole discretion and satisfying the terms of this Instrument and the other Loan Documents.”
59. 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.
60. The following new Sections 49 through 52 are added to Instrument following the last numbered section thereof:

“49. MOLD. Borrower must promptly give Notice to Lender if there is a significant water intrusion event (the term “event” includes a one-time occurrence as well as a circumstance that results over time) at the Mortgaged Property including such events as a bursting or leaking pipe, leaking roof or windows or other exterior portions of buildings, flooding, or failure of or defects in an HVAC or other building system. Borrower also must promptly give Notice to Lender if as a result of a significant water intrusion event Mold is detected at the Mortgaged Property at any time that any of the Indebtedness remains unpaid.

At any time, Lender, in its discretion, may require that a professional inspector inspect the Mortgaged Property for Mold and Borrower shall be responsible for the cost of any such inspection. However, Lender shall not require such professional inspection any more frequently than once every three years unless Borrower has notified Lender or

NCS - 121517

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Freddie Mac Loan No. 002731738

Lender otherwise is aware of a significant water intrusion event or Mold resulting from a significant water intrusion event at the Mortgaged Property. If Lender determines that the Mortgaged Property has experienced a significant water intrusion event or that Mold has developed as a result of a significant water intrusion event, Lender, at Lender's discretion, may require that a professional inspector inspect the Mortgaged Property as frequently as Lender determines is necessary until any issue with Mold or water intrusion is resolved to Lender's satisfaction. Borrower shall be responsible for the cost of any remediation deemed to be necessary as a result of the professional inspection.

Borrower must keep all moisture management plan documentation at the Mortgaged Property or the management agent's office and available for the Loan Servicer to review during the Mortgaged Property annual assessment inspection.

If Lender or Loan Servicer determines not to conduct an annual inspection of the Mortgaged Property, Loan Servicer shall notify Borrower. Upon receipt of such Notice, Borrower must be prepared to provide and must actually provide to Lender a factually correct certification each year that the annual inspection is waived to the following effect:

Borrower has not received any written complaint, notice, letter or other written communication from tenants, management agent or governmental authorities regarding odors, indoor air quality, mold, fungus, microbial contamination or pathogenic organisms ("Mold") or any activity, condition, event or omission that causes or facilitates the growth of Mold on or in any part of the Mortgaged Property or if Borrower has received any such written complaint, notice, letter or other written communication that Borrower has investigated and fully and properly remediated such activity, condition, event or omission in compliance with the Moisture Management Plan for the Mortgaged Property.

If Borrower is unwilling or unable to provide such certification, Lender may require a professional inspection of the Mortgaged Property at Borrower's expense.

50. 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.

NCS. 12/5/17

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Freddie Mac Loan No. 002731738

- (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 for its Intended Use.
- (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).

NCS - 121517

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Freddie Mac Loan No. 002731738

- (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 "**Seniors Apartments**" shall mean age-restricted apartments for senior residents who are able to function independently. These residences are typically restricted to residents 55 and older (or 62 and older). Seniors Apartments do not provide healthcare services, medication assistance, meal services or other third-party contract services.
- (6) 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% |

NGS - 121517

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Freddie Mac Loan No. 002731738

d. Skilled Nursing Beds 0%

(d) Additional Covenants.

- (1) Borrower shall operate the Mortgaged Property or shall cause the Mortgaged Property to be operated 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 or shall cause the Mortgaged Property to be operated 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 or caused to be furnished 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 or caused to be furnished 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 or cause to be furnished 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

NCS-121517

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Freddie Mac Loan No. 002731738

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 or operator for the Mortgaged Property to, pledge any receivables as collateral security for any other loan or indebtedness.
- (10) Borrower shall fully perform or shall cause to be fully performed all of its obligations under each Contract, and Borrower shall not amend, modify, assign or otherwise encumber its interest in any Contract and shall not permit any management agent for the Mortgaged Property to 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 or shall cause such License to be provided to Lender. 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

NCS. 124 577

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Freddie Mac Loan No. 002731738

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:

- (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 or operator 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

NCS. 121517

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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.

NCS-121517

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Freddie Mac Loan No. 002731738

(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 or Operator'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 or Operator 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.

51. MANAGEMENT. Lender acknowledges that the Operator has entered into the Management Agreement with Property Manager. If the Property Manager 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.


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

NCS - 121517

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Freddie Mac Loan No. 002731738

61. **PERFORMANCE OF CERTAIN COVENANTS.** Lender acknowledges that the Borrower (under the Loan Documents) and Operator (under those of the Loan Documents executed by Operator) are each obligated to perform certain covenants which need only be performed by one of them. Accordingly with respect to the covenants set forth in paragraphs 7, 10, 14(a), 14(b), 14(c), 15, 17, 18(d), 18(h), 18(g), 19 or 46 of this Instrument, the timely performance thereof by either Borrower or Operator (as required herein or by the Loan Documents) shall be accepted by Lender as performed by each of them.
62. 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

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NCS-621517

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EXHIBIT D

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

This Second Amended and Restated Guaranty ("Amended Guaranty") is entered into to be effective as of October ____, 2004, 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 October 30, 2003 and recorded in the Office of the County Recorder, Cook County, Illinois on November 17, 2003 as Document No. 0332131197 (the "Assumption Agreement"). The Multifamily Note as assigned, assumed and modified is collectively referred to herein as the "Note".

C. 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.

NCS. 121517

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Freddie Mac Loan No. 002731738

D. 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 Amended and Restated Cross-Collateralization Agreement and Amendment to Multifamily Deed of Trust/Mortgage, Assignment of Rents and Security Agreement dated October 30, 2003, and recorded in the Office of the County Recorder, Cook County, Illinois, on November 17, 2003 as Document No. 0332131198 (collectively the "Cross-Collateralization Agreement").

E. Guarantor has changed its corporate status to a limited liability company and is now known as "PSLT-BLC Properties Holdings, LLC, a Delaware limited liability company".

G. Guarantor guaranteed payment of certain amounts due under the Note by executing that certain Limited Guaranty dated October 30, 2000, as amended and restated in the Amended and Restated Guaranty dated October 30, 2003 (collectively the "Guaranty").

F. Pursuant to the Lease dated October __, 2004, Borrower, as lessor/landlord, has demised the Property to BLC-The Hallmark, LLC, a Delaware limited liability company, as lessee/tenant (the "Operating Lease").

G. As a condition to consenting to the Transfers (as defined in the Consent and Modification Agreement), Lender requires that the Guarantor execute this Amended Guaranty as an amendment to and restatement of the Guaranty.

H. 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 and the Transfers.

NOW, THEREFORE, in order to induce Lender to consenting to the Transfers, and in consideration thereof, Guarantor agrees as follows:

1. **Amendment and Restatement.** This Second Amended and Restated Guaranty amends, restates and replaces in its entirety the Limited Guaranty dated October 30, 2000, as amended and restated in the Amended and Restated Guaranty dated October 30, 2003.
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.

NCS-121517

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Freddie Mac Loan No. 002731738

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 zero percent (0.0%) 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(b), 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.

1/21/17

NCS-121517

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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.

NCS 12/15/17

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Freddie Mac Loan No. 002731738

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;

NCS-121517

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Freddie Mac Loan No. 002731738

- (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.

NCS. 121517

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Freddie Mac Loan No. 002731738

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.

NCS - 12/15/17

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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**

NCS. 121517

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Freddie Mac Loan No. 002731738

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:

Exhibit A Modifications to Guaranty

(Signature Page to Follow)

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46

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WITNESS my hand and official seal.

Signature: _____

Name: _____

My Commission Expires: _____

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EXHIBIT C TO INSTRUMENT

CONTRACTS (The Hallmark)

NONE



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NCS-121517

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EXHIBIT E

ADDITIONAL OBLIGATIONS OF BORROWER OR OPERATOR

1. Execution by Operator of a Collateral Assignment of Licenses, Certificates and Permits in such form as acceptable to the Noteholder in its sole discretion.
2. Execution by Operator of a Collateral Assignment of Service Contracts in such form as acceptable to the Noteholder in its sole discretion.
3. Amendments to UCC Financing Statements in such form acceptable to Noteholder naming the Operator (with its new limited liability status) as debtor and the Lender as secured party which will be filed in the Office of the Secretary of State of Delaware

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NCS 121517