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Eugene "Gene" Moore Fee: \$106.00
Cook County Recorder of Deeds
Date: 11/01/2004 02:26 PM Pg: 1 of 17

Freddie Mac Loan No. 002731738

SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT (Revision Date 11-17-2003)

For use with Commercial Leases

THIS SUBORDINATION, NONDISTURBANCE AND ATTORNMENT AGREEMENT ("Agreement") is made to be effective as of the 19th day of October, 2004, between THE FEDERAL HOME LOAN MORTGAGE CORPORATION, a corporation organized and existing under the laws of the United States ("Lender") and BLC-THE HALLMARK, LLC, a Delaware limited liability company ("Tenant") and 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").

BACKGROUND:

A. 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") is the owner of a 207 unit senior housing facility known as The Hallmark, located at 2960 North Lake Shore Drive, in the City of Chicago, County of Cook, State of Illinois, as legally described on Exhibit A attached hereto (the "Property").

B. Lender is the holder of that certain Multifamily Note (the "Note"), dated October 30, 2000, in the original principal amount of \$63,890,000.00 made by SPTBrook Properties Trust, a Maryland real estate investment trust ("Original Borrower") to GLASER FINANCIAL GROUP, INC., a Minnesota corporation ("Original Lender"), which Note evidences a loan ("Loan") made by Original Lender to Original Borrower. To secure the repayment of the Note, Original Borrower also executed and delivered a Multifamily Mortgage, Assignment of Rents, and Security Agreement 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 the 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 and modified by 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 (the "Cross-Collateralization Agreement"). 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 documents executed by Original Borrower in connection with the Loan and executed additional documents as required by Assignee. Pursuant to Consent to Transfer and Modification Agreement of even date herewith by and among Borrower, Assignee and Guarantor, Assignee has approved the "Transfers" (as defined below). Collectively, the Security Instrument as modified by the Cross-Collateralization

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Agreement, Assumption Agreement and the Consent to Transfer and Modification Agreement is referred to as the "Security Instrument". The Borrower is liable for the payment and performance of all of Original Borrower's obligations under the Note, the Security Instrument and all other documents executed in connection with the Loan (collectively, the "Loan Documents"). Each of the Loan Documents has been duly assigned or endorsed to the Assignee. The current servicer of the Loan is GLASER FINANCIAL GROUP, INC., a Minnesota corporation ("Servicer").

C. PSLT-BLC Properties Holdings, LLC, a Delaware limited liability company, formerly known as Brookdale Living Communities, Inc., a Delaware corporation ("Guarantor") is liable for the obligations under the Second Amended and Restated Guaranty dated of even date herewith (the "Guaranty").

D. Pursuant to 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, Borrower assumed all of Original Borrower's rights, obligations and liabilities created or arising under the Note, Security Instrument and other documents executed by Original Borrower in connection with the Loan and executed additional documents as required by Lender. Pursuant to Consent to Transfer and Modification Agreement of even date herewith by and among Borrower, Lender and Guarantor, Lender has approved the "Transfers" (as defined below). The Borrower is liable for the payment and performance of all of Borrower's obligations under the Note, the Security Instrument and all other documents executed in connection with the Loan (collectively, the "Loan Documents"). Each of the Loan Documents has been duly assigned or endorsed to the Lender. The current servicer of the Loan is GLASER FINANCIAL GROUP, INC., a Minnesota corporation ("Servicer").

E. Lender has been asked to consent to the transfer of the 100% ownership in Guarantor owned by Fortress Brookdale Acquisition, LLC, a Delaware limited liability company to PSLT OP, LP, a Delaware limited partnership ("PSLT OP") in which (i) a 1% general partnership is owned by PSLT GP, LLC, a Delaware limited liability company, a 97.81% limited partnership interest in which is owned by Provident Senior Living Trust, a Maryland Real Estate Investment Trust ("Provident"), and 1.19% limited partnership interests in which are owned by other limited partners. Freddie Mac has also been asked to consent to the conversion of Guarantor from a Delaware corporation to a Delaware limited liability company known as PSLT-BLC Properties Holdings, LLC, a Delaware limited liability company, and to the leasing of the Premises to Tenant pursuant to a certain Property Lease Agreement dated October 19, 2004 entered into by and between Borrower and Tenant ("Property Lease Agreement"). (The transfers described hereinabove including, but not limited to, the Property Lease Agreement are hereinafter referred to as the "Transfers").

F. In connection with the Property Lease Agreement, Guarantor, Brookdale Provident Properties, LLC, a Delaware limited liability company ("Brookdale Provident Properties"), the 100% owner of Tenant, and Provident are entering into a certain Agreement Regarding Leases dated October 19, 2004, setting forth certain agreements of the parties thereto with respect to the Property Lease Agreement and other leases of other seniors housing facilities

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("Agreement Regarding Leases"), pursuant to which, among other things, Brookdale Provident Properties has paid a security deposit of \$20,000,000.

G. It is a condition precedent to Freddie Mac's consent to the Transfers that Borrower and Tenant enter into this Agreement.

H. It is a condition precedent to Tenant's execution of the Property Lease Agreement that Freddie Mac enter into this Agreement.

AGREEMENT:

For and in consideration of the mutual covenants contained in this Agreement, the sum of Ten Dollars (\$10.00) and other good and valuable considerations, the receipt and sufficiency of which are acknowledged, and notwithstanding anything in the Property Lease Agreement to the contrary, the parties agree as follows:

1. **Subordination.** The Property Lease Agreement with all rights, options, liens and charges created by the Property Lease Agreement including, but not limited to, the rights to any condemnation awards payable from a taking by condemnation of the Premises, and any permitted transfers of Tenant's interest in the Premises or interests in Tenant or any entity which owns a direct or indirect interest in Tenant, is expressly made and will continue to be subject to and subordinate in all respects to the terms, conditions, lien, operation and effect of the Mortgage and to any renewals, modifications, consolidations, replacements and extensions of the Mortgage.

2. **Nondisturbance.** If Lender takes possession of the Property or becomes the owner of the Property by foreclosure, conveyance in lieu of foreclosure or otherwise, so long as Tenant complies with and performs its obligations under the Property Lease Agreement and no event of default has occurred under the Property Lease Agreement and Brookdale Living Communities, Inc., a Delaware corporation, formerly known as BLC Senior Holdings, Inc. ("New Brookdale") executes and delivers to Lender a Lease Guaranty of the Property Lease Agreement in favor of Lender in the form attached to the Property Lease Agreement as Exhibit D, then Lender agrees as follows:
 - a. Lender will not terminate, impair or disturb the possession of Tenant.
 - b. The Property Lease Agreement will continue in full force and effect as a direct Property Lease Agreement between Lender and Tenant, upon and subject to all of the terms, covenants and conditions of the Property Lease Agreement, for the balance of the term of the Property Lease Agreement; provided, however, that Lender agrees, on behalf of Successor Landlord (defined hereinafter), that Section 21(a)(xvii) of the Property Lease Agreement shall be deemed deleted and of no further force and effect between Successor Landlord and Tenant and their respective successors and assigns.

3. **Mortgage Remedies.** Nothing contained in this Agreement will prevent Lender from naming Tenant in any foreclosure or other action or proceeding initiated by Lender pursuant

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to the Mortgage to the extent necessary under applicable law in order for Lender to avail itself of and complete the foreclosure or other remedy.

4. **Attornment.** If Lender or any other party becomes the owner of the Property by foreclosure, conveyance in lieu of foreclosure or otherwise or enter into possession of the Property ("Successor Landlord"), then Tenant agrees as follows:
- a. Tenant will perform and observe its obligations under the Property Lease Agreement.
 - b. Tenant will attorn to and recognize Successor Landlord as the Landlord under the Property Lease Agreement for the remainder of the term of the Property Lease Agreement, such attornment to be automatic and self-operative.
 - c. Tenant will execute and deliver upon request of Successor Landlord an appropriate agreement of attornment to Successor Landlord.
5. **Protection of Successor Landlord.** Tenant agrees that Successor Landlord will not be liable for, subject to or bound by any of the following:
- a. claims, offsets or defenses which Tenant might have against Landlord;
 - b. acts or omissions of Landlord;
 - c. rent or additional rent which Tenant might have paid for more than the current month;
 - d. any security deposit or other prepaid charge paid to Landlord which Successor Landlord has not received;
 - e. construction or completion of any improvements for Tenant's use and occupancy;
 - f. warranties of any nature whatsoever, including any warranties respecting use, compliance with zoning, hazardous wastes or environmental laws, Landlord's title, Landlord's authority, habitability, fitness for purpose or possession; or
 - g. amendments or modifications of the Property Lease Agreement made without its written consent

From and after the date, if any, on which a Successor Landlord acquires title to or possession of the Premises, the Agreement Regarding Leases shall be terminated as to the Premises, such Successor Landlord shall not be bound by or subject to any of the terms and provisions of the Agreement Regarding Leases and the Agreement Regarding Leases shall not modify, restrict, amend or limit the Tenant's obligations under the Property Lease Agreement nor shall the Agreement Regarding Leases be deemed incorporated into the Lease, except (i) defined terms used in the Property Lease Agreement which are defined in the Agreement Regarding Leases shall have the meanings set forth in the Agreement Regarding Leases, and (ii) BLC Holdings (as defined in the Agreement Regarding Leases) shall retain an option to purchase the Premises (but not interests in Guarantor) as set forth in Section 14 of the Agreement Regarding Leases provided that notwithstanding anything in the Agreement Regarding Leases to the contrary, the purchase price to be paid by BLC Holdings (or Tenant) to Successor Landlord (the "Successor Option Price") calculated as of the date of such purchase, shall equal the greater of (i) Fair Market Value (as determined by the appraisal procedures set forth in Exhibit B, or (ii) the outstanding indebtedness encumbering

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the Premises, including any accrued and outstanding interest and expenses, and that all payments with respect to such option shall be made to Successor Landlord and not to any party to the Agreement Regarding Leases. Successor Landlord agrees to execute such documents as are required to effectuate the transfer of the Premises in connection with the exercise of such Purchase Option. Successor Landlord also acknowledges and agrees that to the extent that an affiliate of Tenant is no longer the Manager of the Premises, Tenant has the right to terminate the Property Lease Agreement with respect to the Premises, subject to the time limitations set forth in Section 28(c) of the Agreement Regarding Leases and subject to the compliance by Borrower with the terms of the Loan Documents regarding a successor operator or manager.

Any and all obligations of Borrower to provide the Capital Addition Allowance or to make any other disbursements under the Property Lease Agreement for Capital Additions under Section 11 of the Property Lease Agreement or otherwise, shall not accrue to any Successor Landlord and any Successor Landlord shall have no obligation with respect thereto.

Any and all rights of Tenant under Section 17(b) of the Property Lease Agreement entitled, "Casualty" to purchase the Premises from Borrower in the event insurance proceeds are not made available to repair the Premises shall not be binding upon any Successor Landlord including, but not limited to, Lender and any such Successor Landlord including, but not limited to, Lender shall not be obligated to sell, transfer or convey the Premises to Tenant in the event insurance proceeds are not made available to repair or reconstruct the Premises pursuant to the Property Lease Agreement; provided, however, notwithstanding the foregoing, in the event of a Casualty, as described in Section 17, Successor Landlord agrees to sell and convey the Premises to Tenant provided that Tenant agrees to pay Successor Landlord a purchase price, calculated as of the date of such purchase, equal to the greater of (i) Fair Market Value as determined above, or (ii) the outstanding indebtedness encumbering the Premises, including any accrued and outstanding interest and expenses, less the amount of net amount insurance proceeds, if any, received by Successor Landlord and applied to amounts due under the Loan Documents.

Notwithstanding anything herein to the contrary, as long as Freddie Mac is obligated under paragraph 2 of this Agreement not to affect, terminate or disturb Tenant's right to quiet enjoyment and possession of the Premises under the terms of the Property Lease Agreement or any of Tenant's other rights under the Property Lease Agreement, Freddie Mac agrees to forbear in the exercise of its rights and remedies under the following loan documents executed and delivered by Tenant to Freddie Mac on or about the date hereof:

- a. Assignment and Subordination of Operating Agreement (Manager)
- b. Assignment of Leases and Rents (Operator)
- c. Security Agreement
- d. Collateral Assignment of Licenses, Certificates and Permits (Operator)
- e. Collateral Assignment of Management Agreement
- f. Collateral Assignment of Service Contracts (Operator)

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6. **Successor Landlord Exculpation.** Tenant will look solely to Successor Landlord's interest in the Property for the payment and discharge of any obligation or liability imposed upon Successor Landlord under the Property Lease Agreement.
7. **Estoppel.** To the best of Tenant's knowledge, there does not exist any default, claim, controversy or dispute under the Property Lease Agreement. Tenant has not commenced any action nor sent or received any notice to terminate the Property Lease Agreement. Tenant hereby warrants and represents, covenants and agrees to and with Lender:
- a. not to alter or modify the Property Lease Agreement or any guarantees thereof in any respect without prior written consent of Lender;
 - b. to deliver to Lender at the address indicated above a duplicate of each notice of default or termination delivered to or received from Borrower at the same time as such notice is given to or received from Borrower;
 - c. that Tenant is now the sole owner of the leasehold estate created by the Property Lease Agreement and shall not hereafter transfer the Property Lease Agreement except as permitted by the terms of this Agreement;
 - d. not to seek to terminate the Property Lease Agreement by reason of any default of Borrower without prior written notice thereof to Lender and the lapse thereafter of such time as under the Property Lease Agreement was offered or required to be given to Borrower in which to remedy the default, and the lapse of 30 days after the expiration of such time as Borrower was permitted to cure such default; provided, however, that with respect to any default of Borrower under the Property Lease Agreement which cannot be remedied within such time, if Lender commences to cure such default within such time and thereafter diligently proceeds with such efforts and pursues the same to completion, Lender shall have such time as is reasonably necessary to complete curing such default. Notwithstanding the foregoing, in the event either Lender or Borrower do not cure or commence curing such default within the time provided to Borrower under the Property Lease Agreement and the nature of the default threatens Tenant's ability to conduct its daily business or threatens to materially or adversely damage tenant's property located on the Leased Premises, Tenant shall be permitted to exercise its right under the Property Lease Agreement;
 - e. not to pay any rent or other sums due or to become due under the Property Lease Agreement more than 30 days in advance of the date on which the same are due or to become due under the Property Lease Agreement;
 - f. to certify promptly in writing to Lender in connection with any proposed assignment of the Security Instrument, whether or not any default on the part of Borrower or Tenant then exists under the Property Lease Agreement; and

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- g. upon receipt from Lender of notice of any default by Borrower under the Security Instrument, to pay to Lender directly all rent and other sums due under the Property Lease Agreement.
- h. to use its best efforts to cooperate with Lender, including attendance at any meetings requested by Lender (after reasonable prior notice), to furnish financial statements of Tenant and reports of operations at the Premises, and to allow Lender to undertake inspections of the Premises during regular business hours and after reasonable prior notice. In addition, Operator acknowledges that it has reviewed the Security Instrument executed by Landlord and covenants and agrees to comply with all provisions and covenants therein applicable to the use and operation of the Premises (the "Operating Covenants"), including without limitation, arranging for the escrow of taxes and insurance with Lender and, if necessary, providing insurance coverage in accordance with Lender's requirements. In the event Tenant fails to so use and operate the Premises, Lender shall have the right to enforce the Operating Covenants directly against Tenant upon Landlord's failure to do so, in accordance with the provisions of the Security Instrument and the Property Lease Agreement.

Tenant further certifies to Lender as follows:

- a. Tenant has unconditionally accepted delivery of the Premises described in the Property Lease Agreement and has entered into occupancy thereof;
- b. Tenant has not entered into any agreement providing for the advance payment, abatement or offsetting of rents and no rent has been paid for more than one installment in advance;
- c. Except as otherwise provided herein with respect to the Agreement Regarding Leases, the Property Lease Agreement represents the entire agreement between the parties as to the leasing, is in full force and effect, and has not been modified, supplemented or amended in any way;
- d. Tenant has fully inspected the Premises and found the same to be as required by the Property Lease Agreement, in good order and repair, and all conditions under the Property Lease Agreement to be performed by the Borrower have been satisfied; including but not limited to payment to Tenant of any Borrower contributions for Tenant improvements and completion by Borrower of the construction of any leasehold improvements to be constructed by the Borrower and payment to Tenant of any consulting fees;
- e. The primary term of the Property Lease Agreement commenced on October 19, 2004 and continues to December 31, 2019; and contains two renewal options of ten (10) years each as set forth in and subject to the terms of the Agreement Regarding Leases;
- f. Monthly Rent payable is \$606,495.34 and commenced on October 19, 2004 and is paid on October 31, 2004;

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- g. As of this date, to the best of Tenant's knowledge, the Borrower is not in default under any of the terms, conditions, provisions or agreements of the Property Lease Agreement and Tenant has no offsets, claims or defenses against the Borrower with respect to the Property Lease Agreement;
- h. Tenant has not assigned or sublet its interest under the Property Lease Agreement;
- i. Tenant does not and has not used the Premises for the storage, treatment, manufacturing, generation, disposal or release into the environment of any petroleum product or substance which is classified as a hazardous substance, pollutant or contaminant under the Federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") or other applicable federal, state and local laws and regulations;
- j. Tenant will not amend or modify the Property Lease Agreement without the prior written consent of Lender; will not assign its rights under the Property Lease Agreement without the prior written consent of Lender; to the best of its knowledge is not, nor has it ever been, in default of any of its obligations under the Property Lease Agreement; and Tenant will execute such other tenant estoppel certificates and subordination agreements as Lender shall reasonably require;
- k. Tenant shall not look to Lender, any mortgagee in possession, or successor in title to the Premises for accountability for any security deposit held by Borrower or any successive Borrower.
8. **Notice to Lender.** Borrower and Tenant agree that they will deliver to Lender a copy of all notices of default or termination received by it under the terms of the Property Lease Agreement.
9. **Assignment to Lender.** Tenant acknowledges that the Landlord may execute and deliver to Lender an assignment of the Property Lease Agreement as security for the Loan and Lender may assign the Loan to Lender. Tenant expressly consents to such assignments.
10. **Invalidity.** If any portion of this Agreement is held invalid or inoperative, then all of the remaining portions will remain in full force and effect, and, so far as is reasonable and possible, effect will be given to the intent manifested by the portion or portions held to be invalid or inoperative.
11. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State where the Property is located.
12. **Notices.**
- (a) All notices, demands and other communications ("Notices") under or concerning this Agreement must be in writing. Each Notice shall be addressed to the

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intended recipient at its address set forth in this Agreement, and will be deemed given on the earliest to occur of (1) the date when the Notice is received by the addressee; (2) the first Business Day after the Notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (3) the third Business Day after the Notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested. The term "Business Day" means any day other than a Saturday, a Sunday or any other day on which Lender is not open for business.

- (b) Any party to this Agreement may change the address to which Notices intended for it are to be directed by means of Notice given to the other party in accordance with this Section. Each party agrees that it will not refuse or reject delivery of any Notice given in accordance with this Section, that it will acknowledge, in writing, the receipt of any Notice upon request by the other party and that any Notice rejected or refused by it will be deemed for purposes of this Section to have been received by the rejecting party on the date so refused or rejected, as conclusively established by the records of the U.S. Postal Service or the courier service.

Any Notice, if given to Lender, must be addressed as follows:

Federal Home Loan Mortgage Corporation
c/o Glaser Financial Group, Inc.
2177 Youngman Avenue
St. Paul, MN 55116

Any Notice, if given to Tenant, must be addressed as follows:

BLC-The Hallmark, LLC
c/o Brookdale Provident Properties
330 North Wabash Avenue, Suite 1400
Chicago, IL 60611

Any Notice, if given to Borrower, must be addressed as follows:

Brookdale Living Communities of Illinois-2960, LLC
c/o Provident Senior Living Trust
600 College Road East, Suite 3400
Princeton, NJ 08540
Attention: General Counsel

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With a copy to:

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

13. **Successors and Assigns.** This Agreement will be binding upon and inure to the benefit of the parties to this Agreement and their respective heirs, legal representatives, successors, successors-in-title and assigns.
14. **Counterparts.** This Agreement may be executed in any number of counterparts, all of which when taken together will constitute one and the same instrument.

SIGNATURE PAGE FOLLOWS

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement [under seal] as of the date first above written.

LENDER:

FEDERAL HOME LOAN MORTGAGE CORPORATION

By: 
 Name: Bryan Dickson
 Title: Assistant Secretary/Treasurer

Property of Cook County Clerk's Office

COMMONWEALTH OF VIRGINIA)

) SS

COUNTY OF FAIRFAX)

On this 18th day of October, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared Bryan Dickson, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person who executed the within instrument as the Assistant Secretary/Treasurer of FEDERAL HOME LOAN MORTGAGE CORPORATION, a corporation organized and existing under the laws of the United States, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the same.

WITNESS my hand and official seal.

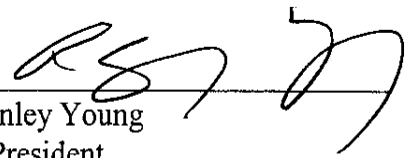
Signature: 
 Name: KAREN A. DUBBLE
 My Commission Expires: 2/28/05

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BLC-THE HALLMARK, LLC, a Delaware limited liability company

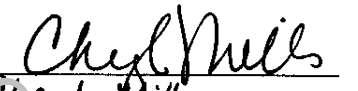
By: 
Name: R. Stanley Young
Its: Vice President

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On this 18th day of October, 2004, before me, the undersigned, a Notary Public in and for said state, personally appeared R. Stanley Young, personally known to me, or proved to me on the basis of satisfactory evidence, to be the person who executed the within instrument as the Vice President of BLC-THE HALLMARK, LLC, a Delaware limited liability company, the company that executed the within instrument, and acknowledged to me that such company executed the same.

WITNESS my hand and official seal.



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

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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*
Saul A. Behar
Its: Senior Vice President

STATE OF NJ
COUNTY OF Middlesex

On this 1st 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.

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

Signature: *Nancy Mele*
Name: Nancy Mele
My Commission Expires: 4/11/05

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EXHIBIT "A"

LEGAL DESCRIPTION OF LAND

PARCEL 1:

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

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

PARCEL 2:

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

BEGINNING AT A POINT ON THE WEST BOUNDARY LINE OF LINCOLN PARK, AS ESTABLISHED BY DECREE OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS ENTERED OCTOBER 31, 1904 IN CASE 256886, SAID POINT OF BEGINNING BEING 80 FEET DUE SOUTH FROM THE SOUTH LINE OF WELLINGTON STREET EXTENDED EAST; THENCE RUNNING WEST 200 FEET ALONG A LINE AT ALL POINTS 80 FEET DUE SOUTH FROM THE SOUTH LINE OF WELLINGTON STREET EXTENDED EAST; RUNNING THENCE SOUTHERLY ON A LINE AT ALL POINTS 200 FEET WEST OF SAID WEST BOUNDARY LINE OF LINCOLN PARK TO A POINT ON THE NORTH LINE OF THE ALLEY AS DEDICATED BY INSTRUMENT RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS ON MARCH 16, 1915 AS DOCUMENT 5594071; RUNNING THENCE EAST ON THE NORTH LINE OF SAID ALLEY TO A POINT 180 FEET WEST OF SAID WEST BOUNDARY LINE OF LINCOLN PARK; RUNNING THENCE SOUTHERLY ON THE EAST LINE OF SAID ALLEY TO A POINT 105 FEET NORTH OF THE NORTH LINE OF OAKDALE AVENUE, SAID POINT BEING ON THE NORTH LINE OF THE PREMISES CONVEYED TO FRANK A. HECHT, CLARA K. HECHT AND FRANK A. HECHT, JR. BY DEED DATED NOVEMBER 16, 1917 AND RECORDED IN THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS AS DOCUMENT 6231480; RUNNING THENCE EAST ON A LINE PARALLEL WITH THE

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Freddie Mac Loan No. 002731738

NORTH LINE OF OAKDALE AVENUE AND BEING THE NORTH LINE OF THE PREMISES CONVEYED TO FRANK A. HECHT, CLARA K. HECHT AND FRANK A. HECHT, JR., 180 FEET TO SAID WEST BOUNDARY LINE OF LINCOLN PARK AND RUNNING THENCE NORTH ALONG SAID WEST BOUNDARY LINE OF LINCOLN PARK TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

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

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

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

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

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

Recorded in the Clerk's Office

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EXHIBIT B

“Fair Market Value” shall mean, as determined by agreement between Successor Landlord and Tenant or, failing agreement and upon demand by either party, the appraisal procedures set forth below, the amount that an uncompelled, willing buyer would pay, and an uncompelled, willing seller would accept, at arm’s length, for a fee simple interest in the Premises, including all Capital Additions and Related Personal Property (as defined in the Property Lease Agreement) owned by Tenant. In addition to such other market factors as may be applicable in determining the Fair Market Value, the Fair Market Value shall be determined on the basis, and on the assumptions, that, (a) the Premises are unencumbered by the Property Lease Agreement or this Agreement, (b) the Premises are in material compliance with any and all applicable laws, codes, ordinances and regulations and other legal requirements, and (c) the Premises, for the benefit of the aforesaid buyer, have in full force and effect any and all necessary or appropriate material permits, approvals, licenses, and other consents necessary or advisable for use thereof in accordance with its Intended Use (as defined in the Property Lease Agreement) applicable thereto.

In the event that it becomes necessary to determine the Fair Market Value of the Premises for any purpose described in this Agreement and the parties cannot agree thereon, such Fair Market Value shall be determined upon the written demand of either party in accordance with the following procedure:

The party requesting an appraisal, by notice given to the other party, shall propose and unilaterally approve an appraiser licensed to perform MAI appraisals and experienced in the valuation of assisted living, independent living or skilled nursing facilities (a “Qualified Appraiser”). The other party, by notice given within fifteen (15) days after receipt of such notice appointing the first Qualified Appraiser, may appoint a second Qualified Appraiser. If the other party fails to appoint the second Qualified Appraiser within such fifteen (15) day period, such party shall have waived its right to appoint a Qualified Appraiser, and the first Qualified Appraiser shall make the sole determination of the Fair Market Value.

The selected Qualified Appraiser or Appraisers shall thereupon determine the Fair Market Value. Each such Qualified Appraiser shall, within thirty (30) days following its appointment, submit its appraisal of fair market value to each of Successor Landlord and Tenant in writing, and if the fair market values set forth in such appraisals vary by five percent (5%) or less of the greater value, the Fair Market Value shall be determined by calculating the average of the two fair market values determined by the two appraisers.

If the fair market values set forth in the two appraisals vary by more than five percent (5%) of the greater of the two values, the two Qualified Appraisers shall select a third Qualified Appraiser within an additional fifteen (15) days following the submittal of the last appraisal. If the two appraisers are unable to agree upon the appointment of a third appraiser within such fifteen (15) day period, either party may, upon written notice to the other, request that such appointment be made by the then President (or equivalent officer) of the Chapter of the American Institute of Real Estate Appraisers in the state in which the Premises are located, or his

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or her designee or, if there is no such organization or if such individual declines to make such appointment, by any state or Federal court of competent jurisdiction for such state.

Within twenty (20) days following his selection, the third appraiser shall review the two (2) appraisals and select the appraisal that he determines most clearly reflects the Fair Market Value.

The selected Fair Market Value shall then be the Fair Market Value for purposes of this Agreement.

In connection with the appraisal process, Tenant shall provide the appraisers full access during normal business hours to examine the Premises, the books, records and files of Tenant relating thereto and all agreements, leases and other operating agreements relating to the Premises. The costs of each party's appraisal shall be borne by the selecting party and the cost of the third appraisal shall be shared equally. Upon determining such value, the appraisers shall promptly notify Successor Landlord and Tenant in writing of such determination. The determination of the Qualified Appraisers made in accordance with the foregoing provisions shall be final and binding upon the parties, such determination may be entered as an award in arbitration in a court of competent jurisdiction, and judgment thereon may be entered.

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OPPENHEIMER: 2273504 v01 10/20/2004