

# UNOFFICIAL COPY

Freddie Mac Loan Number: 002724561



Doc#: 0431045120  
Eugene "Gene" Moore Fee: \$78.50  
Cook County Recorder of Deeds  
Date: 11/05/2004 12:24 PM Pg: 1 of 28

*CHI-34295 / A-10549  
3047*

**COLLATERAL ASSIGNMENT OF PROPERTY LEASE AGREEMENT**  
(Revision Date 10-1-2001)

THIS COLLATERAL ASSIGNMENT OF PROPERTY LEASE AGREEMENT ("this Collateral Assignment") is made effective as of the 19~~th~~ day of October, 2004 by and among RIVER OAKS PARTNERS, an Illinois general partnership ("Borrower"), whose address is c/o Provident Senior Living Trust, 600 College Road East, Suite 3400, Princeton, New Jersey 08540, Attention: Mr. Darryl Copeland, Jr., THE FEDERAL HOME LOAN MORTGAGE CORPORATION ("Lender"), whose address is 8100 Jones Branch Drive, MSB4F, McLean, Virginia 22102, and BLC-THE HERITAGE OF DES PLAINES, LLC, a Delaware limited liability company ("Operator"), whose address is c/o Ebrookdale Provident Properties, Inc., 330 North Wabash Avenue, Suite 1400, Chicago, Illinois 60611.

WHEREAS, River Oaks Partners, an Illinois general partnership ("Borrower") is the owner of a 256 unit senior housing facility known as The Heritage of Des Plaines, located at 800 South River Road, in the City of Des Plaines, County of Cook, State of Illinois, as legally described in Exhibit A to this Assignment (the "Property").

WHEREAS, The Illinois Development Finance Authority (the "Issuer") has issued and sold its \$36,000,000 Illinois Development Finance Authority Qualified Residential Rental Bonds (River Oaks Project) (the "Bonds") pursuant to an Indenture of Trust dated as of December 1, 1989, between the Issuer and American National Bank and Trust Company of Chicago (the "Bond Trustee") as trustee for the holders of the Bonds as supplemented by First Supplement to Trust Indenture dated as of December 1, 1996, Second Supplement to Trust Indenture dated as of February 1, 1997, and Third Supplement to Trust Indenture dated on or about the date hereof (the "Indenture"). Proceeds of the Bonds were loaned by the Issuer to the Borrower (the "Loan") upon the terms and conditions of a certain Loan Agreement dated as of December 1, 1989, between the Issuer and Borrower as supplemented by First Supplement to Loan Agreement dated as of December 1, 1996, Second Supplement to Loan Agreement dated as of February 1, 1997, and Third Supplement to Loan Agreement dated on or about the date hereof (the "Financing Agreement") for the sole and exclusive purpose of financing the acquisition, construction and equipping of a certain congregate care and assisted living facility located on the Property.

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**WHEREAS**, the Lender and Bond Trustee have entered into a certain Direct Pay Credit Enhancement Agreement dated as of May 1, 1999 with respect to the Bonds (the "**Credit Enhancement Agreement**") pursuant to which Lender has agreed to make certain advances to the Bond Trustee (a) with respect to amounts due under the Loan and (b) to provide funds to purchase applicable Bonds tendered under certain circumstances in accordance with the Indenture. Borrower and Lender have entered into a Reimbursement and Security Agreement dated May 27, 1999 (the "**Reimbursement Agreement**") to evidence Borrower's obligation to reimburse Lender for such advances.

**WHEREAS**, Glaser Financial Group, Inc., a Minnesota corporation (the "**Servicer**") has entered into a Servicing Agreement with Lender to service payment of all amounts due and payable under the Reimbursement Agreements ("**Servicing Agreement**").

**WHEREAS**, to secure the repayment of the Reimbursement Agreement, Borrower executed and delivered (i) a Multifamily Mortgage, Assignment of Rents and Security Agreement (the "**Security Instrument**"), dated May 27, 1999, recorded in the Official Records of Cook County, Illinois on May 27, 1999 as Document No. 99510764, as assigned to Lender by the Assignment of Mortgage dated May 27, 1999, recorded on May 27, 1999 in the Office of the County Recorder of Cook County, Illinois as Document No. 99510766, and (ii) the Cross-Collateralization Agreement dated May 27, 1999, and recorded in the Official Records of Cook County, Illinois on May 27, 1999 as Document No. 99510765, as assigned to Lender. Collectively, the Security Instrument and the Consent to Transfer and Modification Agreement are referred to as the "**Security Instrument**". The Borrower is liable for the payment and performance of all of Borrower's obligations under the Reimbursement Agreement, the Security Instrument, the Cross-Collateral Agreement 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 Lender.

**WHEREAS**, as additional security for the Loan, Brookdale Living Communities, Inc., a Delaware corporation executed the Limited Guaranty dated May 27, 1999 for the benefit of the Servicer, which Limited Guaranty was assigned to Lender by the Assignment of Limited Guaranty dated May 27, 1999; as amended and restated by the Second Amended and Restated Guaranty dated October 19, 2004, executed by PSLT-BLC Properties Holdings, LLC, a Delaware limited liability company, formerly known as BLCI ("Guarantor").

**WHEREAS**, Lender has been asked to consent to the transfer of 100% of the ownership interests in Guarantor to PSLT OP, LP, a Delaware limited partnership ("**PSLT OP**") in which a 1% general partnership interest 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. Lender has also been asked to consent to the conversion of Guarantor from Brookdale Living Communities, Inc., 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 Property to Operator pursuant to a certain Property Lease Agreement dated October 19, 2004 entered into by and between

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Borrower and Operator ("Property Lease Agreement"). (The transfers described hereinabove are hereinafter referred to as the "Transfers").

WHEREAS, concurrently herewith, Lender, Borrower and Operator are entering into that certain Subordination, Nondisturbance and Attornment Agreement (the "SNDA") with respect to the Property Lease Agreement.

WHEREAS, Lender has agreed to consent to the Transfers subject to the terms and conditions stated below.

WHEREAS, Assignor will receive a material benefit or other consideration for Lender's consent to the Transfers including the leasing of the Property to Assignor.

**NOW THEREFORE**, to induce Lender to consent to the transfer of the Property to the Borrower and the Property Lease Agreement, the parties agree as follows:

1. Defined Terms. Unless otherwise defined in this Collateral Assignment, all capitalized defined terms utilized in this Collateral Assignment shall have the meanings set forth in the Security Instrument.
2. Assignment of Property Lease Agreement. As additional security for the Mortgage Loan, Borrower hereby assigns and transfers to Lender, and hereby grants to Lender a security interest in, all of Borrower's right, title, and interest in, and benefits under, the Property Lease Agreement and any and all replacements, extensions, and renewals of the Property Lease Agreement, upon the following terms and conditions:
  - (a) Borrower represents and warrants that the Property Lease Agreement was duly executed and is validly existing and enforceable in accordance with its terms (except to the extent that enforcement thereof may be limited by the effect of bankruptcy, receivership, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors generally) and that Borrower's interest in the Property Lease Agreement is not subject to any defense, claim, set off, lien, or encumbrance.
  - (b) Neither this Collateral Assignment nor any action or inaction on the part of Lender shall constitute an assumption on the part of Lender of any obligations under the Property Lease Agreement, and Borrower shall continue to be liable for all obligations under the Property Lease Agreement.
  - (c) Borrower shall punctually perform all of its obligations under the Property Lease Agreement.
  - (d) Borrower shall hold Lender and Lender's stockholders, directors, officers, agents, and employees harmless from and against any loss, cost (including, without limitation, fees and disbursements of legal counsel), or other expenses, damages, or

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liability arising from the Property Lease Agreement or Borrower's performance under the Property Lease Agreement.

- (e) Lender shall have the right at any time (but shall have no obligation) to take, in its name or in the name of Borrower or otherwise, such action as Lender may at any time or times determine to be necessary to cure any default by Borrower under the Property Lease Agreement.
- (f) Borrower represents and warrants that there has been no prior assignment of the Property Lease Agreement.
- (g) Borrower shall deliver to Lender immediately upon issuance or receipt, copies of any and all notices of default or event of default or notices of failure to pay or perform any obligation under the Property Lease Agreement issued or received by Borrower in connection with the Property Lease Agreement.

Notwithstanding this Collateral Assignment, until the occurrence and during the continuance of an Event of Default, Borrower may exercise all of its rights under the Property Lease Agreement.

3. Continuation of Services. If Lender gives notice to Operator that Lender is exercising its rights under this Collateral Assignment, Operator shall continue, at Lender's direction (but on behalf of and as agent for the Borrower) to perform the management and other services provided by Operator under the Property Lease Agreement in accordance with the Property Lease Agreement and shall cause to be issued to Lender or its designee, any letter of credit issued for the benefit of Borrower under the Property Lease Agreement within ten (10) business days of request by Lender, issued by the same entity which issued the letter of credit for the benefit of the Borrower and in form and content identical to the letter of credit issued for the benefit of the Borrower but with the Lender shown as beneficiary thereof. Any rent payments or fees due to Operator which become due and payable after the date Lender gives Operator notice under this Section 3 shall be paid in accordance with the terms of the Property Lease Agreement, notwithstanding any contrary direction from Borrower. However, Lender neither assumes nor has any obligation to the Operator to exercise its rights under this Collateral Assignment or to declare a default under the Loan Documents. If Lender exercises its rights under this Section 3, Lender shall have no obligation to pay for services performed by Operator before Lender gave it notice under this Section 3.
4. Operator's Recognition of Lender and New Owner. Upon notice from Lender or its successors or assigns holding title to the Mortgaged Property (the "New Owner"), Operator shall recognize Lender or the New Owner as the owner of the Mortgaged Property for purposes of the Property Lease Agreement and the Property Lease Agreement shall continue in full force and effect as a direct Property Lease Agreement between Operator and Lender or New Owner, subject to the following terms and conditions and the terms and conditions of the SNDA:

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- (a) Neither Lender or the New Owner shall be:
- (i) liable for any act or omission of Borrower or any previous owner of the Mortgaged Property;
  - (ii) subject to any offset or counterclaim or setoff which Operator might be entitled to assert against Borrower or any previous owner of the Mortgaged Property;
  - (iii) bound by any payment made by Operator to Borrower or any previous owner of the Mortgaged Property for more than one (1) month in advance of the date such payment or payments are due;
  - (iv) bound by any modification or amendment of the Property Lease Agreement made without the prior written consent of Lender or such other New Owner;
  - (v) bound by any of Borrower's obligations under the Property Lease Agreement which were to be performed before Lender gave the Operator the above notice under this Section 4;
  - (vi) bound by any obligation of Borrower or any previous owner of the Mortgaged Property to maintain, repair or rebuild the Mortgaged Property under the Property Lease Agreement; or
  - (vii) bound by any obligation to indemnify Operator under the Property Lease Agreement.
5. Operator's Representations. Operator represents and warrants that: (a) Exhibit B is a true and correct copy of the Memorandum of Property Lease Agreement, together with all amendments; and (b) Operator and Borrower have complied with all agreements and covenants on their respective parts in the Property Lease Agreement and there exists no defense or right of setoff with respect to the obligations of Operator under the Property Lease Agreement.
6. Operator's Covenants. Subject to the terms of the SNDA. Operator agrees as follows:
- (a) After notice from Lender to Operator, Operator will pay to Lender, or to such person, entity or firm designated by Lender, all income and other moneys due and to become due Borrower under the Property Lease Agreement, until further notice from Lender.
  - (b) After the date of this Collateral Assignment, no amendment or modification of the Property Lease Agreement shall be valid as against Lender unless Lender has approved such amendment or modification in writing.



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- (c) The Operator shall not terminate the Property Lease Agreement or cease to perform the services contracted for under the Property Lease Agreement for any reason, including but not limited to Borrower's failure to make any payments to the Operator, without giving Lender thirty (30) days' prior notice of such intention, in order that Lender may cure the Borrower's default and/or exercise its rights under this Collateral Assignment.
- (d) Upon the occurrence of an Event of Default under the Loan Documents, Operator may be removed and the Property Lease Agreement terminated by Lender, without payment of any cancellation or termination fee, penalty or other liability, at any time upon notice to the Operator of such Event of Default and termination.
7. Subordination of Property Lease Agreement. Subject to the terms and conditions of the SNDA:
- (a) Operator hereby subordinates the Property Lease Agreement and all contractual and statutory liens and security interests (whether choate or inchoate) which Operator may be (or may become) entitled to assert against the Mortgaged Property to all of the terms, provisions, assignments, liens, and security interests securing the Mortgage Loan contemplated by or set forth in the Loan Documents (including any future amendments), and Operator fully and completely waives any and all rights that Operator may have, now or in the future (and to the extent permitted by law, the rights that Operator's suppliers, and laborers may have now or in the future), to claim, directly or indirectly, a priority of lien or security interest, in whole or in part, against or in the Mortgaged Property over any assignments, liens, and security interests that Lender may claim against the Mortgaged Property under the Loan Documents (including any future amendments). This subordination shall be self-operative and no further instrument of subordination shall be required. However, in further confirmation of such subordination, Operator and Borrower shall, promptly upon the request of Lender execute, acknowledge and deliver to Lender such instruments as Lender reasonably requires.
- (b) Operator hereby agrees that (i) any fees payable to Operator by Borrower pursuant to the Property Lease Agreement are and shall be subordinated in right of payment, to the prior payment in full of the Indebtedness (as defined in the Security Instrument), and (ii) the Property Lease Agreement is and shall be subject and subordinate in all respects to the liens, terms, covenants and conditions of the Security Instrument and the other Loan Documents and to all advances heretofore made or which may hereafter be made pursuant to the Security Instrument (including all sums advanced for the purposes of (x) protecting or further securing the lien of the Security Instrument, curing defaults by Borrower under the Security Instrument or for any other purposes expressly permitted by the Security Instrument, or (y) constructing, renovating, repairing, furnishing, fixturing or equipping the Mortgaged Property).

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8. Binding Effect and Lender's Assignment. This Collateral Assignment shall be binding upon Borrower and Operator and their respective legal representatives, successors and assigns and shall inure to the benefit of Lender, its successors, legal representatives and assigns. Lender may assign its rights under this Collateral Assignment to any person or entity that purchases the Mortgage Loan from Lender and thereafter all references in this Collateral Assignment to "Lender" shall be deemed to refer to such purchasing person or entity.
9. Choice of Law. This Collateral Assignment shall be governed by and construed under and in accordance with the laws of the jurisdiction where the Mortgaged Property is located.
10. Counterparts. This Collateral Assignment may be executed in any number of counterparts, each of which shall constitute an original as against any party whose signature appears on it, and all of which shall together constitute a single instrument. This Collateral Assignment shall become binding when one or more counterparts, individually or taken together, bear the signatures of all parties.
11. Further Assurances. Operator and Borrower each will, at Borrower's expense and at any time and from time to time, promptly execute and deliver all further instruments and documents, and take all further action that may be reasonably necessary or desirable, or that Lender may reasonably request, in order to protect any right or interest granted hereby or to enable Lender to exercise and enforce its rights and remedies hereunder.
12. Notice.
  - (a) All notices, demands and other communications (collectively, "Notice") under or concerning this Collateral Assignment shall be in writing. Each Notice shall be addressed to the intended recipient at the address set forth below, and shall be deemed given on the earliest to occur of (i) the date when the Notice is received by the addressee; (ii) the first Business Day (as hereinafter defined) after the Notice is delivered to a recognized overnight courier service, with arrangements made for payment of charges for next Business Day delivery; or (iii) the third Business Day after the Notice is deposited in the United States mail with postage prepaid, certified mail, return receipt requested. As used in this Section 12, 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.

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- b) Any party to this Collateral Assignment may change the address to which Notices intended for it are to be directed by means of Notice given to the other parties in accordance with this Section 12. Each party agrees that it will not refuse or reject delivery of any Notice given in accordance with this Section 12, 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 shall be deemed for purposes of this Section 12 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.
- (c) Any Notice under this Collateral Assignment shall be sent to the parties hereto as follows:

To Lender:

Federal Home Loan Mortgage Corporation  
c/o Glaser Financial Group, Inc.  
2177 Youngman Avenue  
St. Paul, MN 55116  
Attention: Loan Servicing Department  
Phone No.: 651-644-7694  
Fax No.: 651-644-0923

To Operator:

BLC-The Heritage of Des Plaines, LLC  
c/o Brookdale Provident Properties  
330 North Wabash Avenue, Suite 1400  
Chicago, Illinois 60611  
Attention: R. Stanley Young  
Phone No.: 312.977.3700  
Fax No.: 312.977-3699

To Borrower:

River Oaks Partners  
c/o Provident Senior Living Trust  
600 College Road East, Suite 3400  
Princeton, New Jersey 08540  
Attention: General Counsel  
Phone No.: 609-720-0825  
Fax No.: 609-720-0826



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With a copy to:

Sidley Austin Brown & Wood LLP  
787 Seventh Avenue  
New York, New York 10019  
Attention: Robert Golub, Esq.  
Phone No.: 212-839-5326  
Fax No.: 212-839-5599

13. No Waivers. No failure to exercise and no delay in exercising on the part of Lender of any right, power or privilege under this Collateral Assignment shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege under this Collateral Assignment preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies provided in this Collateral Assignment and in any agreement relating to any of the Loan Documents, and all other agreements, instruments and documents referred to in any of the foregoing shall be cumulative and shall not be exclusive of any rights or remedies provided by law. No right of Lender to enforce the provisions contained in this Collateral Assignment shall be impaired by any act or failure to act by Borrower or Operator.
14. Enforcement. The terms and provisions of this Collateral Assignment may be specifically enforced by Lender. In the event of litigation between Lender and Operator, Lender shall be entitled to recover its reasonable actual costs of such litigation, including, but not limited to, attorneys' fees, court costs, and costs of appeal.
15. Severability. The invalidity or unenforceability of any provision of this Collateral Assignment shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.
16. Waiver; No Remedy Exclusive. Any forbearance by Lender in exercising any right or remedy given under this Collateral Assignment or existing at law or in equity shall not constitute a waiver of or preclude the exercise of that or any other right or remedy. Unless otherwise explicitly provided, no remedy under this Collateral Assignment is intended to be exclusive of any other available remedy, but each remedy shall be cumulative and shall be in addition to other remedies given under this Collateral Assignment or existing at law or in equity.
17. No Oral Change. This Collateral Assignment may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower, Operator or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

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18. Captions and Cross References. The captions assigned to provisions of this Collateral Assignment are for convenience only and shall be disregarded in construing this Collateral Assignment. Any reference in this Collateral Assignment to an "Exhibit" or a "Section" shall, unless otherwise explicitly provided, be construed as referring, respectively, to an Exhibit attached to this Collateral Assignment or a section of this Collateral Assignment. All Exhibits attached to or referred to in this Collateral Assignment are incorporated by reference into this Collateral Assignment.
19. Modifications. Any modifications to this Collateral Assignment set forth in Exhibit C are hereby incorporated herein by reference.
20. Intentionally Omitted.
21. Counterparts. This Collateral Assignment may be executed in any number of counterparts, each of which shall be considered an original for all purposes; provided, however, that all such counterparts shall constitute one and the same instrument.

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IN WITNESS WHEREOF, the parties hereto have executed this Collateral Assignment as of the day and year first set forth above.

**BORROWER:**

RIVER OAKS PARTNERS, an Illinois general partnership

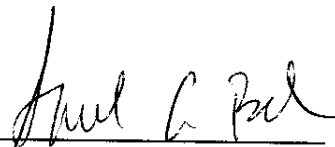
By: Brookdale Holdings, LLC, a Delaware limited liability company, its general partner

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

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STATE OF N.J. )  
 )  
 COUNTY OF Middlesex ) ss  
 )

The foregoing instrument was acknowledged before me this 6 day of October, 2004, by Saul A. Behar, 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 Holdings, LLC, a Delaware limited liability company, the general partner of RIVER OAKS PARTNERS, an Illinois general partnership, the general partnership that executed the within instrument, and acknowledged to me that such general partnership executed the within instrument, on behalf of such general partnership.

Nancy Mele  
 Notary Public

NANCY MELE  
 NOTARY PUBLIC OFFICE NEW JERSEY  
 Commission Expires 4/11/05


My Commission Expires: 4/11/05

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**LENDER:**

FEDERAL HOME LOAN MORTGAGE CORPORATION

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

COMMONWEALTH OF VIRGINIA )  
 ) ss  
COUNTY OF FAIRFAX )

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of October, 2004, by 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 in his/her capacity as Assistant Secretary/Treasurer of FEDERAL HOME LOAN MORTGAGE CORPORATION, the corporation that executed the within instrument, and acknowledged to me that such corporation executed the within instrument pursuant to its bylaws or a resolution of its board of directors, as its free act and deed, on behalf of such corporation.

[SEAL.]

  
Notary Public



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**OPERATOR:**

BLC-THE HERITAGE OF DES PLAINES, LLC, a  
Delaware limited liability company

By: *R S Y*  
Name: R. Stanley Young  
Its: Vice President

STATE OF ILLINOIS )  
                                  ) SS  
COUNTY OF COOK )

The foregoing instrument was acknowledged before me this 19<sup>th</sup> day of October, 2004, by R. Stanley Young, the Vice President of BLC-THE HERITAGE OF DES PLAINES, LLC, a Delaware limited liability company, on behalf of the limited liability company.



*Cheryl Miller*  
Notary Public

My Commission Expires: 5-31-2006  
My Commission Expires: \_\_\_\_\_

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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## EXHIBIT A

### LEGAL DESCRIPTION OF LAND

#### PARCEL 1:

The Northerly 150 feet of Lot 106 in original Town of Rand (now Des Plaines), being a subdivision of Sections 16, 17, 20 and 21, Township 41 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

#### PARCEL 2:

Lots 107, 108, 109, 110 and 111 (except that part of said Lots taken for the opening of Prairie Avenue and also except that part of said Lot 111 lying South of Prairie Avenue as opened) in original Town of Rand (now Des Plaines), being a subdivision of Sections 16, 17, 20 and 21, Township 41 North, Range 12, East of the Third Principal Meridian, and also except that part thereof described as follows: Beginning at the Northeasterly corner of said Lot 109; thence South 08 degrees 39 minutes 51 seconds East along the East line of said Lots 109, 110 and 111, 230.00 feet; thence North 55 degrees 34 minutes 59 seconds West (Measured North 55 degrees 32 minutes 28 seconds West) along a line parallel with the Northeasterly line of said Lot 109, 23.28 feet (measured 23.29 feet) to an intersection with a line 17.00 feet, as measured at right angles, westerly of and parallel with the Easterly line of said Lots 109 and 110; thence North 08 degrees 39 minutes 51 seconds West along said last described parallel line, 230.00 feet to an intersection with the Northeasterly line of said Lot 109; thence South 55 degrees 34 minutes 59 seconds East (measured South 55 degrees 32 minutes 28 seconds East) along the Northeasterly line of said Lot 109, 23.28 feet (measured 23.29 feet) to the place of beginning, all in original Town of Rand (now Des Plaines), being a Subdivision of Sections 16, 17, 20 and 21, Township 41 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

Also excepting that part of Lots 110 and 111 described as follows: commencing at the Northeasterly corner of Lot 109; thence South 08 degrees, 39 minutes, 51 seconds East, along the East line of Lots 109, 110 and 111, 230.00 feet to the point of beginning; thence continuing South 08 degrees, 39 minutes, 51 seconds East, 75.98 feet to the North line of Prairie Avenue per document 12785378; thence South 89 degrees, 59 minutes, 59 seconds West 17.20 feet along the North line of Prairie Avenue to a line 17 feet Westerly of and parallel with the Easterly line of said Lots 110 and 111; thence North 08 degrees; 39 minutes, 51 seconds West, 89.31 feet along said parallel line to a point 230 feet South of the Northeasterly line of said Lot 109 in the original Town of Rand (as measured along said parallel line); thence South 55 degrees, 34 minutes, 59 seconds East (measured South 55 degrees, 32 minutes, 28 seconds East) 23.28 feet (measured 23.29 feet) to the point of beginning.

#### PARCEL 3:

The Southeasterly 8.0 feet of Lot 100 (except the Northeasterly 150 feet thereof) and Lots 101 through 106 both inclusive (except that part of said Lots taken for the opening of Prairie Avenue as recorded October 30, 1941 by Document Number 12785378) also (except the Northeasterly

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150.00 feet of Lots 101, 102, 103, 104, and 106) all in the original Town of Rand (now Des Plaines) being a subdivision of Sections 16, 17, 20 and 21, Township 41 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

Address of Property:  
800 South River Road  
Des Plaines, Illinois  
Tax ID: 36-3650842

14.28.201.016.0000  
14.28.201.019.0000  
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## EXHIBIT B

### COPY OF MEMORANDUM OF PROPERTY LEASE AGREEMENT

[See attached]

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## MEMORANDUM OF LEASE

This instrument prepared by and  
upon recordation return to:

Brookdale Living Communities, Inc.  
330 N. Wabash Avenue  
Suite 1400  
Chicago, Illinois 60611  
Attention: Deborah Paskin

## MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE (this "Memorandum") is made and entered into this ~~19th~~ day of October, 2004 by and between River Oaks Partners, an Illinois general partnership with an address at c/o 600 College Road East, Suite 3400, Princeton, NJ 08540 ("Landlord"), and BLC-The Heritage of Des Plaines, LLC a Delaware limited liability company, with an address at c/o 330 N. Wabash Ave., Suite 1400, Chicago, IL 60611 ("Tenant").

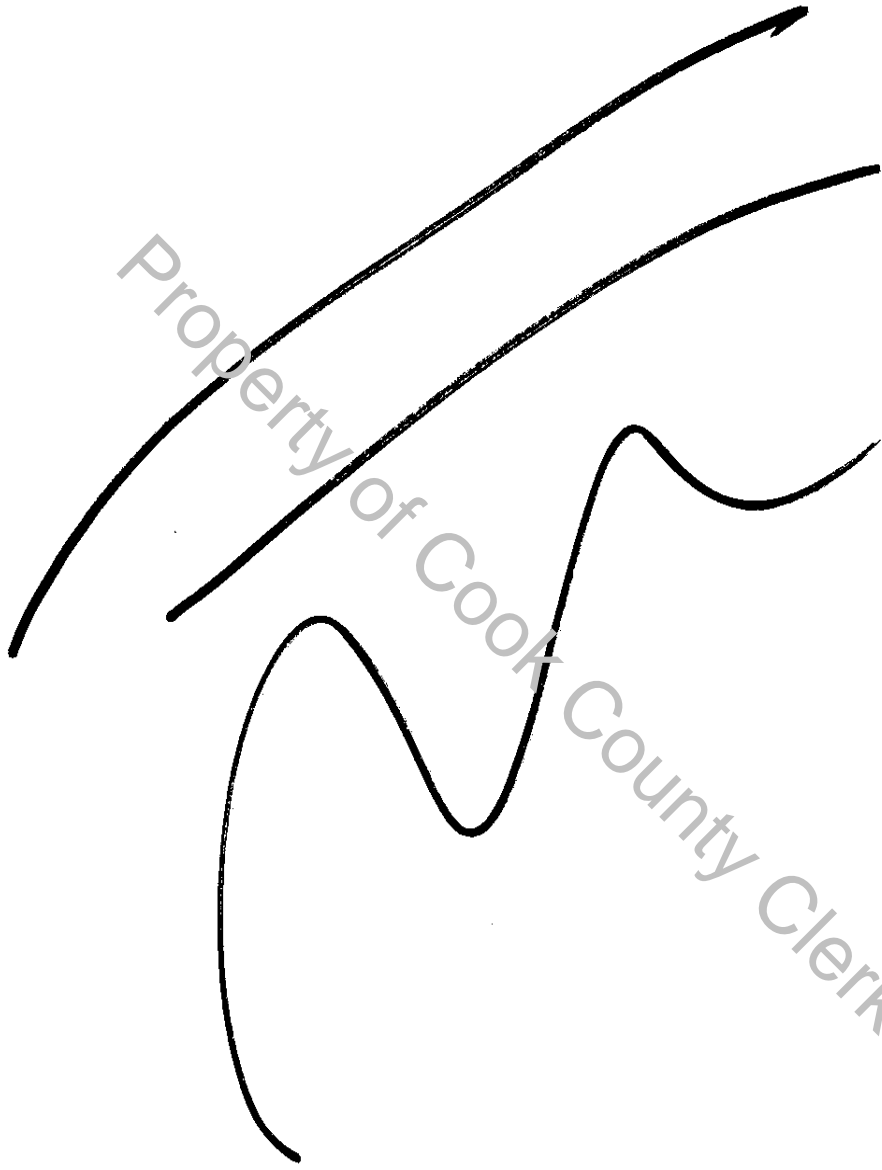
### WITNESSETH THAT:

1. Landlord and Tenant entered into a Lease (the "Lease") effective as of the date hereof, for premises commonly known as The Heritage at Des Plaines, and more particularly described in Exhibit A attached hereto (the "Premises").
2. The term of the Lease commences as of the date hereof, the date referred to therein as the Commencement Date, and shall terminate on ~~October~~ <sup>December 31,</sup> 2019. The Lease contains two (2) ten (10) year renewal terms. The Lease may be terminated earlier pursuant to the terms of the Lease.
3. This Memorandum shall apply with respect to Landlord, Tenant and each of their respective successors and permitted assigns. This Memorandum is not intended to modify the terms of the Lease and in the event of any ambiguity, the Lease shall control.
4. In addition to Tenant's rights under the Lease, pursuant to, and subject to the terms and conditions set forth in that certain Agreement Regarding Leases dated October 19, 2004, by and between Brookdale Provident Properties, LLC and PSLT-BLC Properties Holdings, LLC, Tenant's parent (Brookdale Provident Properties, LLC) has the option, exercisable only during the eleventh (11th) through fifteenth (15th) years of the initial fifteen (15) year term of the Lease and during the last year of either of the two (2) ten (10) year renewal terms, if the Lease is extended, to elect, on behalf of Tenant, to purchase the Premises from Landlord's parent (PSLT-BLC Properties Holdings, LLC). If such option is exercised, Landlord's parent shall cause Landlord to sell the Premises to Tenant in accordance with the terms of said Agreement Regarding Leases.



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5. Any notices required hereunder shall be directed to the parties shown on Exhibit B attached hereto and made a part hereof for all purposes.



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EXECUTED by the undersigned under seal with the intent that this instrument be an instrument under seal as of the day, month and year first above written.

**LANDLORD:**

River Oaks Partners  
an Illinois general partnership

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[SEAL] \_\_\_\_\_

**TENANT:**

BLC-The Heritage of Des Plaines, LLC  
a Delaware limited liability company

By: RSY  
Name: R. Stanley Young  
Title: Vice President

[SEAL]

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STATE OF IL )  
 )ss.  
COUNTY OF Cook )

I, Cheryl Miller, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that R. Stanley Young, personally known to me to be the VP of BLC-The Heritage of Des Plaines, LLC, a Delaware limited liability company, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such VP he/she signed and delivered such instrument as his/her free and voluntary act and deed, and as the free and voluntary act and deed of such limited liability company, for the uses and purposes therein set forth.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 2004.

Cheryl Miller  
Notary Public

My Commission Expires: 5-31-2006



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**River Oaks Partners,**  
an Illinois general partnership

By: **Brookdale Holdings, LLC,**  
a Delaware limited liability company, its general partner

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*  
Name: Saul A. Behar  
Title: Senior Vice President

STATE OF New York )  
 )ss.

COUNTY OF New York )

I, Maureen Latman, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that Saul A. Behar, 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 HOLDINGS, LLC, a Delaware limited liability company, the general partner of RIVER OAKS PARTNERS, an Illinois general partnership, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such Senior Vice President he/she signed and delivered such instrument as his/her free and voluntary act and deed, and as the free and voluntary act and deed of such limited liability company, for the uses and purposes therein set forth.

Given under my hand and official seal this 18th day of October, 2004.

*Maureen Latman*

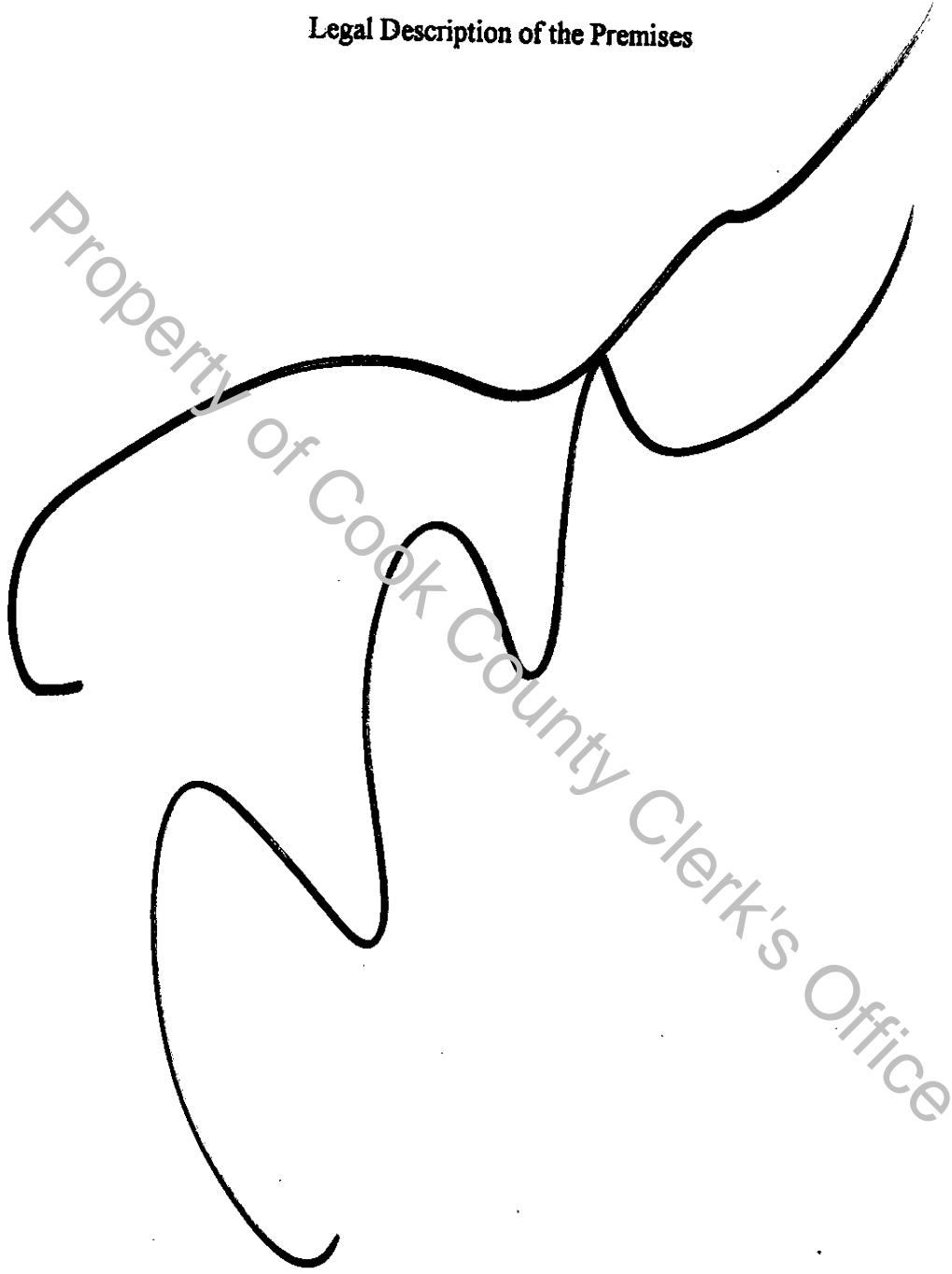
MAUREEN LATMAN  
Notary Public, State of New York  
Notary Public LA6038775  
Qualified in New York County  
Commission Expires March 20, 2006

My Commission Expires: \_\_\_\_\_

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**EXHIBIT A  
to Memorandum of Lease**

**Legal Description of the Premises**



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**UNOFFICIAL COPY****PARCEL 1:**

THE NORTHERLY 150 FEET OF LOT 106 IN ORIGINAL TOWN OF RAND (NOW DES PLAINES), BEING A SUBDIVISION OF SECTIONS 16, 17, 20 AND 21, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 2:**

LOTS 107, 108, 109, 110 AND 111 (EXCEPT THAT PART OF SAID LOTS TAKEN FOR THE OPENING OF PRAIRIE AVENUE AND ALSO EXCEPT THAT PART OF SAID LOT 111 LYING SOUTH OF PRAIRIE AVENUE AS OPENED) IN ORIGINAL TOWN OF RAND (NOW DES PLAINES), BEING A SUBDIVISION OF SECTIONS 16, 17, 20 AND 21, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND ALSO EXCEPT THAT PART THEREOF DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEASTERLY CORNER OF SAID LOT 109; THENCE SOUTH 08 DEGREES 39 MINUTES 51 SECONDS EAST ALONG THE EAST LINE OF SAID LOTS 109, 110 AND 111, 230.00 FEET; THENCE NORTH 55 DEGREES 34 MINUTES 59 SECONDS WEST (MEASURED NORTH 55 DEGREES 32 MINUTES 28 SECONDS WEST) ALONG A LINE PARALLEL WITH THE NORTHEASTERLY LINE OF SAID LOT 109, 23.28 FEET (MEASURED 23.29 FEET) TO AN INTERSECTION WITH A LINE 17.00 FEET, AS MEASURED AT RIGHT ANGLES, WESTERLY OF AND PARALLEL WITH THE EASTERLY LINE OF SAID LOTS 109 AND 110; THENCE NORTH 08 DEGREES 39 MINUTES 51 SECONDS WEST ALONG SAID LAST DESCRIBED PARALLEL LINE, 230.00 FEET TO AN INTERSECTION WITH THE NORTHEASTERLY LINE OF SAID LOT 109; THENCE SOUTH 55 DEGREES 34 MINUTES 59 SECONDS EAST (MEASURED SOUTH 55 DEGREES 32 MINUTES 28 SECONDS EAST) ALONG THE NORTHEASTERLY LINE OF SAID LOT, 109, 23.28 FEET (MEASURED 23.29 FEET) TO THE PLACE OF BEGINNING, ALL IN ORIGINAL TOWN OF RAND (NOW DES PLAINES), BEING A SUBDIVISION OF SECTIONS 16, 17, 20 AND 21, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO EXCEPTING THAT PART OF LOTS 110 AND 111 DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHEASTERLY CORNER OF LOT 109; THENCE SOUTH 08 DEGREES, 39 MINUTES, 51 SECONDS EAST, ALONG THE EAST LINE OF LOTS 109, 110 AND 111, 230.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 08 DEGREES, 39 MINUTES, 51 SECONDS EAST, 75.98 FEET TO THE NORTH LINE OF PRAIRIE AVENUE PER DOCUMENT 12785378; THENCE SOUTH 89 DEGREES, 59 MINUTES, 59 SECONDS WEST 17.20 FEET ALONG THE NORTH LINE OF PRAIRIE AVENUE TO A LINE 17 FEET WESTERLY OF AND PARALLEL WITH THE EASTERLY LINE OF SAID LOTS 110 AND 111; THENCE NORTH 08 DEGREES, 39 MINUTES, 51 SECONDS WEST, 89.31 FEET ALONG SAID PARALLEL LINE TO A POINT 230 FEET SOUTH OF THE NORTHEASTERLY LINE OF SAID LOT 109 IN THE ORIGINAL TOWN OF RAND (AS MEASURED ALONG SAID PARALLEL LINE); THENCE SOUTH 55 DEGREES, 34 MINUTES, 59 SECONDS EAST (MEASURED SOUTH 55 DEGREES, 32

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MINUTES, 28 SECONDS EAST) 23.28 FEET (MEASURED 23.29 FEET) TO THE POINT OF BEGINNING.

PARCEL 3:

THE SOUTHEASTERLY 8.0 FEET OF LOT 100 (EXCEPT THE NORTHEASTERLY 150 FEET THEREOF) AND LOTS 101 THROUGH 106 BOTH INCLUSIVE (EXCEPT THAT PART OF SAID LOTS TAKEN FOR THE OPENING OF PRAIRIE AVENUE AS RECORDED OCTOBER 30, 1941 BY DOCUMENT NUMBER 12785378) ALSO (EXCEPT THE NORTHEASTERLY 150.00 FEET OF LOTS 101, 102, 103, 104, AND 106) ALL IN THE ORIGINAL TOWN OF RAND (NOW DES PLAINES) BEING A SUBDIVISION OF SECTIONS 16, 17, 20 AND 21, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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**EXHIBIT B**  
**to Memorandum of Lease**

**Notices**

**If to Tenant:** BLC-The Heritage of Des Plaines, LLC  
c/o Brookdale Living Communities, Inc.  
330 North Wabash Avenue  
Suite 1400  
Chicago, Illinois 60611  
Attention: R. Stanley Young  
Telephone: (312) 977-3720  
Facsimile: (312) 977-3699

**with a copy to:** Brookdale Living Communities, Inc.  
330 N. Wabash Avenue  
Suite 1400  
Chicago, Illinois 60611  
Attention: General Counsel  
Telephone: (312) 977-3760  
Facsimile: (312) 977-3769

**and to:** Douglas E. Wambach  
Burke, Warren, Mackay & Serritella, P.C.  
330 North Wabash Avenue, 22nd Floor  
Chicago, Illinois 60611  
Telephone: (312) 840-7019  
Facsimile: (312) 840-7900

**If to Lease Guarantor:** Brookdale Provident Properties, LLC  
c/o Brookdale Living Communities, Inc.  
330 North Wabash Avenue  
Suite 1400  
Chicago, Illinois 60611  
Attention: R. Stanley Young  
Telephone: (312) 977-3720  
Facsimile: (312) 977-3699

**with a copy to:** Brookdale Living Communities, Inc.  
330 N. Wabash Avenue  
Suite 1400  
Chicago, Illinois 60611  
Attention: General Counsel  
Telephone: (312) 977-3760  
Facsimile: (312) 977-3769

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**and to:** Douglas E. Wambach  
Burke, Warren, MacKay & Serritella, P.C.  
330 North Wabash Avenue, 22nd Floor  
Chicago, Illinois 60611  
Telephone: (312) 840-7019  
Facsimile: (312) 840-7900

**If to Landlord:** River Oaks Partners  
Provident Senior Living Trust  
600 College Road East  
Suite 3400  
Princeton, NJ 08540  
Attention: General Counsel.  
Telephone: (609) 720-0825  
Facsimile: (609) 720-0826

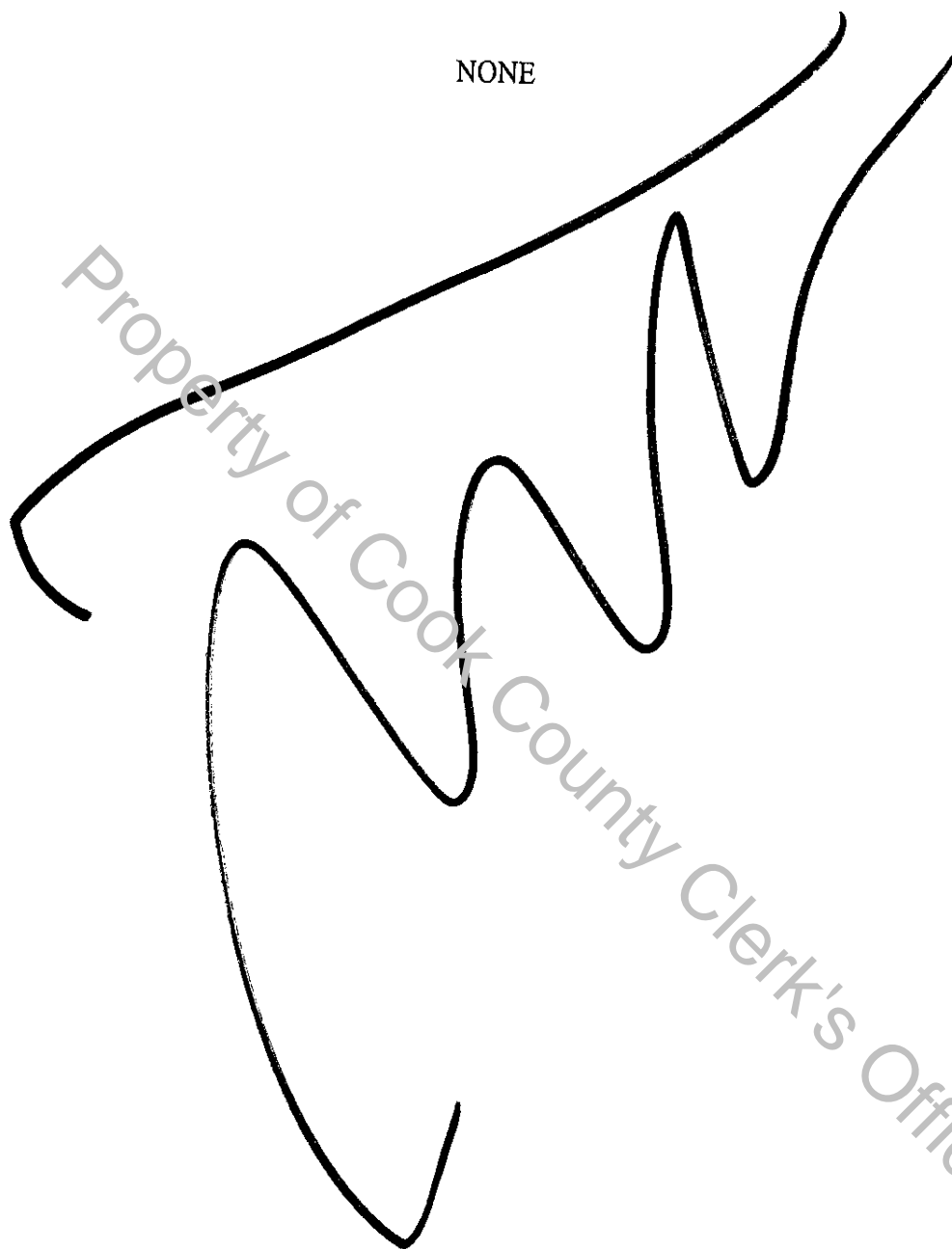
**with a copy to:** Sidley Austin Brown & Wood LLP  
787 Seventh Avenue  
New York, New York 10019  
Attention: Scott Freeman  
Telephone: (212) 839-5326  
Facsimile: (212) 839-5599

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## EXHIBIT C

NONE



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