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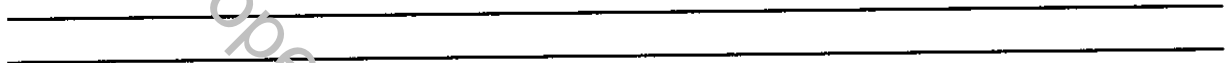
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1735 Market Street, 51st Floor
Philadelphia, PA 19103-7599
Attn: Alicia B. Clark, Esquire



SPTBROOK PROPERTIES TRUST, as mortgagor

to

DRESDNER BANK AG, Administrative Agent for itself as
a lender and for certain other lenders, as mortgagee

**MORTGAGE AND
SECURITY AGREEMENT**

Dated: September 15, 1999

Street Address: 2960 North Lake Shore Drive
Chicago, Illinois

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- Exhibit A - Description of Land
- Exhibit B - Local Law Provisions

Definitions

The terms set forth below are defined in the following Sections of this Security Instrument or in the Loan Agreement (defined in the Recitals):

ADA: Subsection 3.10(a)
 Applicable Law: Subsection 3.10(a)
 Attorneys' Fees/Counsel Fees: Section 17.1
 Bankruptcy Code: Subsection 1.1(f)
 Brookdale Master Lease: Recitals
 Brookdale Lease Guaranty: Recitals
 Brookdale Master Tenant: Recitals
 Brookdale Subtenants: Recitals
 Business Day: Section 14.1
 Casualty Amount: Subsection 4.2(a)(i)
 Casualty Consultant: Subsection 4.2(b)(iii)
 Casualty Retainage: Subsection 4.2(b)(iv)
 Collateral: Section 2.3
 Debt: Section 2.1
 Default Rate: Section 10.3
 Environmental Law: Defined in the Loan Agreement
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 ERISA: Subsection 4.2(a)
 Escrow Fund: Section 3.5
 Event of Default: Section 9.1
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 Hazardous Material: Defined in the Loan Agreement
 HRPT: Recitals
 Improvements: Subsection 1.1(c)
 Indemnified Parties: Section 12.1
 Insurance Premiums: Subsection 3.3(b)
 Land: Subsection 1.1(a)
 Leases: Subsection 1.1(f)
 Lender: Preamble
 Loan Agreement: Recitals
 Loan Documents: Recitals
 Loans: Recitals
 Losses: Section 12.1
 Net Proceeds: Subsection 4.2(b)
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 Loan Agreement: Recitals
 Losses: Section 12.1
 Notes: Recitals
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Permitted Exceptions: Section 5.1
Person: Section 17.1
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Taxes: Subsection 3.4(a)
Tenant: Section 3.6
Uniform Commercial Code: Subsection 1.1(e)

THIS MORTGAGE AND SECURITY AGREEMENT (this "Security Instrument") is made as of September 15, 1999, by **SPTBROOK PROPERTIES TRUST**, a Maryland real estate investment trust with its principal place of business at 400 Centre Street, Newton, Massachusetts 02158, as mortgagor ("SPTBROOK"), to **DRESDNER BANK AG**, a German banking corporation acting through its New York Branch, as Administrative Agent for itself as a lender and for the other lenders under the Loan Agreement described below, with an address at 75 Wall Street, New York, New York 10005 ("Lender").

RECITALS:

A. SPTBROOK's affiliate, Senior Housing Properties Trust ("SHPT"), was organized on December 16, 1998 as a wholly-owned subsidiary of HRPT Properties Trust, a Maryland real estate investment trust ("HRPT"). Commencing with or promptly following the execution and delivery of this Security Instrument, SHPT is being spun off by HRPT. In anticipation of HRPT's spin-off of SHPT, (1) HRPT formed other wholly-owned subsidiaries and transferred properties to them, including, among others, the following: (i) HRPT formed SPTMRT Properties Trust, a Maryland real estate investment trust ("SPTMRT") and transferred 14 properties (nine congregate care properties and five assisted living properties) that are leased under 14 separate leases to subsidiaries of Marriott International, Inc. (the "SPTMRT Properties") and (ii) HRPT formed SPTBROOK and transferred four congregate care properties master leased to a subsidiary of Brookdale Living Communities, Inc. (the "SPTBROOK Properties"), and (2) HRPT transferred to SHPT all of HRPT's capital shares of such subsidiaries (including both SPTMRT and SPTBROOK). As part of HRPT's spin-off of SHPT, (a) HRPT is distributing approximately one-half of its shares of SHPT to HRPT's shareholders and is retaining in its portfolio the remainder of its shares of SHPT and (b) SHPT is borrowing \$200,000,000 from Lender and using the entire proceeds of such borrowing to pay formation debt owing to HRPT by SPTMRT and SHPT.

B. SHPT, SPTMRT and SPTBROOK have asked Lender to make a \$350,000,000 secured revolving loan facility available to SHPT for the purpose of making loans to SHPT from time to time up to an aggregate principal amount outstanding of \$350,000,000 (the "Loans") for certain business purposes of SHPT and its subsidiaries, including the initial \$200,000,000 Loan described in paragraph A above, pursuant to a Revolving Loan Agreement dated as of the date hereof among SHPT, Lender, Dresdner Bank AG and the other lenders party thereto from time to time, SPTMRT and SPTBROOK (as the same may be amended, supplemented and modified from time to time the "Loan Agreement") under which SHPT is issuing notes to Lender in the aggregate principal amount of \$350,000,000 to evidence the Loans (as the same may be amended, modified and replaced from time to time, the "Notes"). One or more Notes may be assigned in whole or in part by one lender to another lender from time to time under the Loan Agreement and thereupon replaced with new Notes reflecting such assignments in accordance with the terms of the Loan Agreement. Loans made under the Loan Agreement may be advanced, repaid and readvanced in whole or in part from time to time subject to the terms and conditions of the Loan Agreement. It is the intent of SPTBROOK and Lender that all such Notes

and Loans outstanding from time to time and SPTBROOK's guaranty obligations in respect thereof shall be secured by this Security Instrument. As used herein, depending on the context, "Lender" means (i) Dresdner Bank AG, as Administrative Agent (including any successor Administrative Agent under the Loan Agreement) acting for and on behalf of itself as a lender and for the other lenders under the Loan Agreement or (ii) Dresdner Bank AG and the other lenders under the Loan Agreement in their capacities as such lenders.

C. The payment of the Loans and Notes and all other amounts payable from time to time under the Loan Agreement, the Notes and the other Loan Documents (which term is used herein as defined in the Loan Agreement) and the performance of SHPT's obligations thereunder are being (i) jointly and severally guaranteed by SPTMRT and SPTBROOK under the Loan Agreement and (ii) secured by mortgage and security agreements or deeds of trust and security agreements on each of the SPTMRT Properties and the SPTBROOK Properties (including the Property defined in Section 1.1).

D. The SPTBROOK Properties are leased to BLC Property, Inc. (the "Brookdale Master Tenant"), a wholly owned subsidiary of Brookdale Living Communities, Inc. under a Master Lease Agreement dated as of December 27, 1996, as amended (the "Brookdale Master Lease") with an initial term expiring December 31, 2019. The four Brookdale Properties are subleased, respectively, by the Brookdale Master Tenant to Brookdale Living Communities of Washington, Inc., Brookdale Living Communities of Arizona, Inc., Brookdale Living Communities of Illinois, Inc. and Brookdale Living Communities of New York, Inc. (collectively, the "Brookdale Subtenants") under a separate sublease for each Brookdale Property. The Brookdale Master Tenant's obligations under the Brookdale Master Lease are guaranteed by Brookdale Living Communities, Inc. and the Brookdale Subtenants under a Guaranty Agreement dated as of December 27, 1996, as amended (the "Brookdale Lease Guaranty"). The Brookdale Properties subject to the Brookdale Master Lease include the Land and Improvements (defined below), which are subleased by the Brookdale Master Tenant to Brookdale Living Communities of Illinois, Inc.

E. SPTBROOK desires to secure the payment of the Debt (defined in Section 2.1) and the performance of all other obligations of SPTBROOK and SHPT under the Loan Agreement and the other Loan Documents.

Article 1 - GRANTS OF SECURITY

Section 1.1 Property Mortgaged. SPTBROOK does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey to Lender, and grant a security interest to Lender in, the following property, rights, interests and estates now owned or hereafter acquired by SPTBROOK (collectively, the "Property"):

(a) Land. The real property described in Exhibit A attached hereto and made a part hereof (the "Land");

(b) Additional Land. All additional lands, estates and development rights hereafter acquired by SPTBROOK for use in connection with the Land and the development of the Land that may, from time to time, by supplemental mortgage or otherwise be expressly made subject to the lien of this Security Instrument;

(c) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (the "Improvements");

(d) Easements. All easements, rights-of-way or use, rights, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, air rights and development rights, and all estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, relating or pertaining to the Land and the Improvements and the reversion and reversions, remainder and remainders, and all land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Land, to the center line thereof and all the estates, rights, titles, interests, dower and rights of dower, curtesy and rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of SPTBROOK of, in and to the Land and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(e) Fixtures and Personal Property. All machinery, equipment, furniture, furnishings, fixtures (including, but not limited to all heating, air conditioning, plumbing, lighting, communications and elevator fixtures) and other property of every kind and nature whatsoever owned by SPTBROOK, or in which SPTBROOK has or shall have an interest, now or hereafter located upon the Land or the Improvements, or appurtenant thereto, and used in connection with the present or future operation and occupancy of the Land and the Improvements, and all building equipment, materials and supplies of any nature whatsoever owned by SPTBROOK, or in which SPTBROOK has or shall have an interest, now or hereafter located upon the Land and the Improvements, or appurtenant thereto, or used in connection with the present or future operation and occupancy of the Land and the Improvements, and the right, title and interest of SPTBROOK in and to any other tangible property which may be subject to any security interests, as defined in the Uniform Commercial Code, as adopted and enacted by the state or states where any of the Property is located (the "Uniform Commercial Code"), and all proceeds and products of the above (collectively, the "Personal Property");

(f) Leases and Rents. All leases (including master leases, leases and subleases) and other agreements affecting the use, enjoyment or occupancy of all or any part of the Land or the Improvements heretofore or hereafter entered into whether before or after the filing by or against SPTBROOK of any petition for relief under 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), as the same may be amended from time to time, all lease guarantees, other guarantees, letters of credit and any other credit support given by any guarantor in connection therewith, and all cash or securities deposited under leases to secure the performance by the lessees of their obligations thereunder (collectively the "Leases") and all right, title and interest

of SPTBROOK, its successors and assigns therein and thereunder, including, without limitation, the Brookdale Master Lease and the Brookdale Lease Guaranty [insofar as they relate to the Property]; and all rents, additional rents, revenues, issues and profits (including all oil and gas or other mineral royalties and bonuses) from the Land, the Improvements and the Leases whether paid or accruing before or after the filing by or against SPTBROOK of any petition for relief under the Bankruptcy Code (collectively the "Rents"); and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents;

(g) Condemnation Awards. All awards or payments, including interest thereon, which may heretofore and hereafter be made with respect to the Property, whether from the exercise of the right of eminent domain (including, but not limited to any transfer made in lieu of or in anticipation of the exercise of the right), or for a change of grade, or for any other injury to or decrease in the value of the Property;

(h) Insurance Proceeds. All proceeds of and any unearned premiums on any insurance policies covering the Property, including, without limitation, the right to receive and apply the proceeds of any insurance judgments, or settlements made in lieu thereof, for damage to the Property;

(i) Tax Certiorari. All refunds, rebates or credits in connection with a reduction in real estate taxes and assessments charged against the Property as a result of tax certiorari or any applications or proceedings for reduction;

(j) Rights. The right, in the name and on behalf of SPTBROOK, to commence any action or proceeding to protect the interest of Lender in the Property and while an Event of Default (defined in Section 9.1) remains uncured, to appear in and defend any action or proceeding brought with respect to the Property;

(k) Agreements. All agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, now or hereafter entered into, and all rights therein and thereto, respecting or pertaining to the use, occupation, construction, management or operation of the Land and any part thereof and any Improvements or respecting any business or activity conducted on the Land and any part thereof and all right, title and interest of SPTBROOK therein and thereunder, including, without limitation, the right, while an Event of Default remains uncured, to receive and collect any sums payable to SPTBROOK thereunder;

(l) Intangibles. All accounts, escrows, chattel paper, claims, deposits, trade names, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles specific to or used in connection with the operation of the Property, if any; and

(m) Conversion. All proceeds of the conversion, voluntary or involuntary, of any of the foregoing including, without limitation, proceeds of insurance and condemnation awards, into cash or liquidation claims;

(n) Other Rights. Any and all other rights of SPTBROOK in and to the items set forth in Subsections (a) through (m) above.

Section 1.2 Assignment of Leases and Rents. SPTBROOK hereby absolutely and unconditionally assigns to Lender SPTBROOK's right, title and interest in and to all current and future Leases and Rents (including, without limitation, the Brookdale Master Lease and the Brookdale Lease Guaranty and the rents and other amounts payable thereunder in so far as they relate to the Property); it being intended by SPTBROOK that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of this Section 1.2 and Section 3.7, Lender grants to SPTBROOK a revocable license to collect and receive the Rents. SPTBROOK shall hold the Rents, or a portion thereof, sufficient to discharge all current sums due on the Debt, for use in the payment of such sums.

Section 1.3 Security Agreement. This Security Instrument is both a real property mortgage and a "security agreement" within the meaning of the Uniform Commercial Code. The Property includes both real and personal property and all other rights and interests, whether tangible or intangible in nature, of SPTBROOK in the Property. By executing and delivering this Security Instrument, SPTBROOK hereby grants to Lender, as security for the Obligations (defined in Section 2.3), a security interest in the Property to the full extent that the Property may be subject to the Uniform Commercial Code (such portion of the Property so subject to the Uniform Commercial Code, the "Collateral").

Section 1.4 Pledge of Monies Held. SPTBROOK hereby pledges to Lender, and grants to Lender a security interest in, any and all monies now or hereafter held by Lender, including, without limitation, the Net Proceeds (defined in Section 4.2), as additional security for the Obligations until expended or applied as provided in this Security Instrument.

CONDITIONS TO GRANT

TO HAVE AND TO HOLD the above granted and described Property unto and to the use and benefit of Lender, and the successors and assigns of Lender, forever;

PROVIDED, HOWEVER, these presents are upon the express condition that, if all Commitments (as defined in the Loan Agreement) have terminated and the Loans and all other amounts payable by SHPT under the Loan Agreement, the Notes and the other Loan Documents have been paid in full, and if SHPT and SPTBROOK shall well and truly pay to Lender the Debt at the time and in the manner provided in the Loan Agreement, the Notes and the other Loan Documents and this Security Instrument and the Other Security Documents (defined in Section

3.2), shall well and truly perform the Other Obligations as set forth in this Security Instrument, and shall well and truly abide by and comply with each and every covenant and condition set forth herein and, to the extent applicable to SHPT or SPTBROOK, in the Loan Agreement, the Notes and the other Loan Documents, these presents and the estate hereby granted shall cease, terminate and be void; and

PROVIDED FURTHER, HOWEVER, these presents are, only to the extent the same is required in order to trigger the subordination of the Brookdale Master Lease to this Security Instrument as provided in Section 21.2 of the Brookdale Master Lease, subject to the rights of the Brookdale Master Tenant under the Brookdale Master Lease, including the rights of the Brookdale Master Tenant to acquire the Collective Leased Properties (as such term is defined in the Brookdale Master Lease) pursuant to the applicable provisions of the Brookdale Master Lease.

Article 2 - DEBT AND OBLIGATIONS SECURED

Section 2.1 Debt. This Security Instrument and the grants, assignments and transfers made in Article 1 are given for the purpose of securing the following, in such order of priority as Lender may determine in its sole discretion (the "Debt"):

- (a) the payment of all sums payable by SPTBROOK under (i) the Loan Agreement, including, without limitation, its guaranty and surety obligations under Section 10 thereof, (ii) this Security Instrument and (iii) the Other Security Documents;
- (b) the payment of all sums payable by SHPT under the Loan Agreement, the Notes and the other Loan Documents, including, without limitation, all principal of and interest on the Loans and all fees payable to Lender pursuant to Section 2.6 of the Loan Agreement;
- (c) the payment of all sums advanced pursuant to this Security Instrument to protect and preserve the Property and the lien and the security interest created hereby; and
- (d) the payment of all sums advanced and costs and expenses incurred by Lender in connection with the Debt or any part thereof, any renewal, extension, modification, consolidation, change, substitution, replacement, restatement or increase of the Debt or any part thereof, or the acquisition or perfection of the security therefor, whether made or incurred at the request of SPTBROOK, SHPT or Lender.

Section 2.2 Other Obligations. This Security Instrument and the grants, assignments and transfers made in Article 1 are also given for the purpose of securing the following (the "Other Obligations"):

- (a) the performance of all other obligations of SPTBROOK contained herein;

(b) the performance of each obligation of SPTBROOK and each obligation of SHPT contained in the Loan Agreement or any other Loan Document, in addition to the payment of the Debt, and of SPTBROOK contained in the Other Security Documents.

Section 2.3 Debt and Other Obligations. SPTBROOK's and SHPT's obligations for the payment of the Debt and the performance of the Other Obligations shall be referred to collectively below as the "Obligations."

Section 2.4 Payments. Acceptance by Lender of any payment in an amount less than the amount then due shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall be and continue to be an Event of Default.

Article 3 - SPTBROOK COVENANTS

SPTBROOK covenants and agrees with Lender that:

Section 3.1 Payment of Debt. SPTBROOK will pay the Debt owing by SPTBROOK at the time and in the manner provided in the Loan Agreement, the Other Security Documents and in this Security Instrument.

Section 3.2 Incorporation by Reference. All the covenants, conditions and agreements contained in (a) the Loan Agreement, and (b) all and any of the documents other than the Loan Agreement or this Security Instrument now or hereafter executed by SPTBROOK and by or in favor of Lender, which wholly or partially secure or guaranty payment of the Debt (the "Other Security Documents"), are hereby made a part of this Security Instrument to the same extent and with the same force as if fully set forth herein.

Section 3.3 Insurance.

(a) SPTBROOK shall obtain and maintain, or cause to be maintained, insurance for SPTBROOK and the Property providing at least the following coverages:

(i) Property Insurance. Insurance with respect to the Improvements and building equipment insuring against any peril included within the classification "All Risks of Physical Loss" in amounts at all times sufficient to prevent Lender from becoming a co-insurer within the terms of the applicable policies and under applicable law, but in any event such insurance shall be maintained in an amount equal to the full insurable value of the Improvements and building equipment, the term "full insurable value" to mean the actual replacement cost of the Improvements and building equipment (without taking into account any depreciation, and exclusive of excavations, footings and foundations, landscaping and paving) determined annually by an insurer, a recognized independent insurance broker or an independent appraiser selected and paid by SPTBROOK and in no event less than the coverage required pursuant to the terms of any Lease. Absent such annual adjustment, each policy shall contain inflation guard coverage

insuring that the policy limit will be increased over time to reflect the effect of inflation. SPTBROOK shall also maintain insurance against loss or damage to such furniture, furnishings, fixtures, equipment and other items (whether personalty or fixtures) included in the Property and owned by SPTBROOK from time to time, to the extent applicable, in the amount of the cost of replacing the same, in each case, with inflation guard coverage to reflect the effect of inflation, or annual valuation. Each policy or policies shall contain a replacement cost endorsement and either an agreed amount endorsement (to avoid the operation of any co-insurance provisions) or a waiver of any co-insurance provisions, all subject to Lender's approval. The maximum deductible shall be \$10,000.00;

(ii) Liability Insurance. Commercial general liability insurance, including personal injury, bodily injury, death and property damage liability, insurance against any and all claims, including all legal liability to the extent insurable and imposed upon Lender and all court costs and attorneys' fees and expenses, arising out of or connected with the possession, use, leasing, operation, maintenance or condition of the Property in such amounts as are generally available at commercially reasonable premiums and are generally required by institutional lenders for properties comparable to the Property but in no event for a combined single limit of less than \$5,000,000. During any construction of the Property, Mortgagor's general contractor for such construction shall also provide the insurance required in this Subsection (a). Lender hereby retains the right to periodically review the amount of said liability insurance being maintained by SPTBROOK and to require an increase in the amount of said liability insurance should Lender deem an increase to be reasonably prudent under then existing circumstances;

(iii) Workers' Compensation Insurance. Statutory workers' compensation insurance with respect to any work on or about the Property covering all persons subject to the workers' compensation laws of the state in which the Property is located;

(iv) Business Interruption. Business interruption and/or loss of "rental income" insurance in an amount sufficient to avoid any co-insurance penalty and to provide proceeds which will cover a period of not less than one (1) year from the date of casualty or loss, with a six month extended period of indemnity, the term "rental income" to mean the sum of (A) the total then ascertainable Rents payable under the Leases and (B) the total ascertainable amount of all other amounts to be received by SPTBROOK from third parties which are the legal obligation of the tenants, reduced to the extent such amounts would not be received because of operating expenses not incurred during a period of non-occupancy of that portion of the Property then not being occupied. The amount of coverage shall be adjusted annually to reflect the rents payable during the succeeding eighteen (18) month period;

(v) Boiler and Machinery Insurance. Broad form boiler and machinery insurance (without exclusion for explosion) covering all boilers or other pressure vessels, machinery, and equipment located in, on or about the Property and insurance against loss of occupancy or use arising from any breakdown in such amount per accident equal to the replacement value of the improvements housing the machinery or \$2,000,000 or such other

amount reasonably determined by Lender. If one or more large HVAC units is in operation at the Property, "System Breakdowns" coverage shall be required, as determined by Lender. Minimum liability coverage per accident must equal the value of such unit(s);

(vi) Flood Insurance. If required by Subsection 5.6(a) hereof, flood insurance in an amount at least equal to the lesser of (A) the minimum amount required, under the terms of coverage, to compensate for any damage or loss on a replacement basis (or the unpaid balance of the indebtedness secured hereby if replacement cost coverage is not available for the type of building insured); or (B) the maximum insurance available under the appropriate National Flood Insurance Administration program. The deductible may not exceed \$25,000.

(vii) Builder's Risk. During the period of any construction, renovation or alteration of the Improvements which exceeds the lesser of 10% of the principal amount of the Loan Agreement or \$500,000, at Lender's request, a completed value, "All Risk" Builder's Risk form, or "Course of Construction" insurance policy in non-reporting form for any Improvements under construction, renovation or alteration in an amount approved by Lender may be required. During the period of any construction of any addition to the existing Improvements, a completed value, "All Risk" Builder's Risk form or "Course of Construction" insurance policy in non-reporting form, in an amount approved by Lender, shall be required.

(viii) Other Insurance. Such other insurance with respect to the Property or on any replacements or substitutions thereof or additions thereto as may from time to time be required by Lender against other insurable hazards or casualties which at the time are commonly insured against in the case of property similarly situated, including, without limitation, sinkhole, mine subsidence, earthquake and environmental insurance, due regard being given to the height and type of buildings, their construction, location, use and occupancy.

(b) All insurance provided for in Subsection 3.3(a) hereof shall be obtained under valid and enforceable policies (the "Policies" or in the singular, the "Policy"), and shall be issued by one or more domestic primary insurer(s) having an investment grade rating of "A" or better ("AA" or better for Loans of \$25,000,000 or more), or a comparable claims paying ability assigned by S & P or equivalent one or more credit rating agencies approved by Lender (a "Rating Agency"), (each such insurer shall be referred to below as a "Qualified Insurer"). All insurers providing insurance required by this Security Instrument shall be authorized to issue insurance in the state in which the Property is located. The Policy referred to in Subsection 3.3(a)(ii) above shall name Lender as an additional named insured and the Policy referred to in Subsection 3.3(a)(i), (iv), (v) and (vi) above shall provide that all proceeds be payable to Lender as set forth in Section 4.2 hereof. The Policies referred to in Subsections 3.3(a)(i), (v) and (vi) shall also contain: (i) a standard "non-contributory mortgagee" endorsement or its equivalent relating, *inter alia*, to recovery by Lender notwithstanding the negligent or willful acts or omission of Lender, and (ii) to the extent available at commercially reasonable rates, a waiver of subrogation endorsement as to Lender. All Policies described in Subsection 3.3(a) above shall contain (i) a provision that such Policies shall not be canceled or terminated, nor shall they expire, without at least thirty (30) days' prior written notice to Lender in each instance; and (ii) an

effective waiver by the insurer of all claims for Insurance Premiums (defined below) against any mortgagees, loss payees, additional insureds and named insureds (other than SPTBROOK). In the event that the Property or the Improvements constitutes a legal non-conforming use under applicable building, zoning or land use laws or ordinances, the policy shall include an ordinance or law coverage endorsement which will contain Coverage A: "Loss Due to Operation of Law" (with a minimum liability limit equal to Replacement Cost With Agreed Value Endorsement), Coverage B: "Demolition Cost" and Coverage C: "Increased Cost of Construction" coverages. Certificates of insurance with respect to all renewal and replacement Policies shall be delivered to Lender not less than thirty (30) days prior to the expiration date of any of the Policies required to be maintained hereunder which certificates shall bear notations evidencing payment of applicable premiums (the "Insurance Premiums"). Originals or certificates of such replacement Policies shall be delivered to Lender promptly after SPTBROOK's receipt thereof but in any case within thirty (30) days after the effective date thereof. If SPTBROOK fails to maintain and deliver to Lender the original Policies or certificates of insurance required by this Security Instrument, upon ten (10) days' prior notice to SPTBROOK, Lender may procure such insurance at SPTBROOK's sole cost and expense.

(c) SPTBROOK shall comply with all insurance requirements and shall not bring or keep or permit to be brought or kept any article upon any of the Property or cause or permit any condition to exist thereon which would be prohibited by an insurance requirement, or would invalidate the insurance coverage required hereunder to be maintained by SPTBROOK on or with respect to any part of the Property pursuant to this Section 3.3.

(d) If the Property shall be damaged or destroyed, in whole or in part, by fire or other casualty, SPTBROOK shall give prompt notice of such damage to Lender and provided that SPTBROOK shall have received the Net Proceeds, SPTBROOK shall promptly commence or cause to be commenced and diligently prosecute or cause to be prosecuted the completion of the repair and restoration of the Property as nearly as possible to the condition the Property was in immediately prior to such fire or other casualty, with such alterations as may be approved by Lender (the "Restoration") and otherwise in accordance with Section 4.2 of this Security Instrument.

(e) The insurance coverage required under Section 3.3(a) may be effected under a blanket policy or policies covering the Property and other properties and assets not constituting a part of the security hereunder; provided that any such blanket policy shall specify, except in the case of commercial general liability insurance, the portion of the total coverage of such policy that is allocated to the Property, and any sublimit in such blanket policy applicable to the Property, and shall in any case comply in all other respects with the requirements of this Section 3.3.

(f) The insurance coverage required under Subsection 3.3(a)(ii) may be satisfied by a layering of Commercial General Liability, Umbrella and Excess Liability Policies, but in no event will the Commercial General Liability policy be written for an amount less than

\$1,000,000 per occurrences and \$2,000,000 aggregate for bodily injury and property damage liability.

(g) The delivery to Lender of the insurance policies or the certificates of insurance as provided above shall constitute an assignment of all proceeds payable under such insurance as relating to the Property by SPTBROOK to Lender as further security for the indebtedness secured hereby. In the event of foreclosure of this Security Instrument, or other transfer of title to the Property in extinguishment in whole or in part of the secured indebtedness, all right, title and interest of SPTBROOK in and to all proceeds payable under such policies then in force concerning the Property shall thereupon vest in the purchaser at such foreclosure, or in Lender or other transferee in the event of such other transfer of title. Approval of any insurance by Lender shall not be a representation of the solvency of any insurer or the sufficiency of any amount of insurance.

(h) Lender shall not be responsible for nor incur any liability for the insolvency of the insurer or other failure of the insurer to perform, even though Lender has caused the insurance to be placed with the insurer after failure of SPTBROOK to furnish such insurance. SPTBROOK shall not obtain insurance for the Property in addition to that required by Lender without the prior written consent of Lender, which consent will not be unreasonably withheld provided that (i) Lender is named insured on such insurance, (ii) Lender receives complete copies of all policies evidencing such insurance, and (iii) such insurance complies with all of the applicable requirements set forth herein

(i) Anything in Section 3.3 hereof to the contrary notwithstanding, during the term of the Brookdale Master Lease and so long as the Brookdale Master Lease is in full force and effect, in lieu of complying with the provisions of Section 3.3 hereof, SPTBROOK shall comply with, and cause the Brookdale Master Tenant to comply with, Article 10 and the other insurance provisions of the Brookdale Master Lease, and Lender shall be a third party beneficiary thereof; provided that Section 3.3(g) hereof shall continue to apply as between SPTBROOK and Lender.

Section 3.4 Payment of Taxes, Etc.

(a) SPTBROOK shall pay or cause to be paid by their due date all taxes, assessments, water rates, sewer rents, governmental impositions, and other charges, including, without limitation, vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Land, now or hereafter levied or assessed or imposed against the Property or any part thereof (the "Taxes"), all ground rents, maintenance charges and similar charges, now or hereafter levied or assessed or imposed against the Property or any part thereof (the "Other Charges"), and all charges for utility services provided to the Property as same become due and payable. SPTBROOK will deliver to Lender, promptly upon Lender's request, evidence satisfactory to Lender that the Taxes, Other Charges and utility service charges have been so paid or are not then delinquent. SPTBROOK shall not suffer and shall promptly cause to be paid and

discharged any lien or charge whatsoever which may be or become a lien or charge against the Property.

(b) After prior written notice to Lender, SPTBROOK, at its own expense, may contest or permit to be contested by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the amount or validity or application in whole or in part of any of the Taxes, provided that (i) no Event of Default has occurred under the Loan Agreement, this Security Instrument or any of the Other Security Documents, (ii) SPTBROOK is permitted to do so under the provisions of any other mortgage, deed of trust or deed to secure debt affecting the Property, (iii) such proceeding shall suspend the collection of the Taxes from SPTBROOK and from the Property or SPTBROOK shall have paid or caused to be paid all of the Taxes under protest, (iv) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which SPTBROOK is subject and shall not constitute a default thereunder, (v) neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited, terminated, canceled or lost, (vi) SPTBROOK shall have set aside adequate reserves for the payment of the Taxes, together with all interest and penalties thereon, unless SPTBROOK has paid or caused to be paid all of the Taxes under protest, and (vii) SPTBROOK shall have furnished the security as may be required in the proceeding, or as may be reasonably requested by Lender to insure the payment of any contested Taxes, together with all interest and penalties thereon. Anything in this Section 3.4(b) to the contrary notwithstanding, during the term of the Brookdale Master Lease and so long as the Brookdale Master Lease is in full force and effect, the Brookdale Master Tenant shall have the right to contest Taxes pursuant to and in full compliance with Section 3.1.3 and Article 8 of the Brookdale Master Lease, and in case of any such contest, SPTBROOK shall not be required to comply with the provisions of this Section 3.4(b); provided that SPTBROOK shall cause the Brookdale Master Tenant to comply with the provisions of Section 3.1.3 and Article 8 of the Brookdale Master Lease in any such contest.

Section 3.5 Condemnation. SPTBROOK shall promptly give Lender notice of the actual or threatened commencement of any condemnation or eminent domain proceeding and shall deliver to Lender copies of any and all papers served in connection with such proceedings. Lender may participate in any such proceedings to the extent permitted by law. Upon an Event of Default, SPTBROOK shall deliver to Lender all instruments requested by it to permit such participation. SPTBROOK shall, at its expense, diligently prosecute any such proceedings, and shall consult with Lender, its attorneys and experts, and cooperate with them in the carrying on or defense of any such proceedings. SPTBROOK shall not make any agreement in lieu of condemnation of the Property or any portion thereof without the prior written consent of Lender in each instance, which consent shall not be unreasonably withheld or delayed in the case of a taking of an insubstantial portion of the Property. If the Property or any portion thereof is taken by the power of eminent domain, SPTBROOK shall promptly commence and diligently prosecute the Restoration of the Property and otherwise comply with the provisions of in accordance with Section 4.2 of this Security Instrument. If the Property is sold, through foreclosure or otherwise, prior to the receipt by Lender of the award or payment, Lender shall have the right, whether or not a deficiency judgment on the Loan Agreement shall have been

sought, recovered or denied, to receive the award or payment, or a portion thereof sufficient to pay the Debt. The provisions of this Section 3.5 are subject to the provisions of Article 11 of the Brookdale Master Lease.

Section 3.6 Leases and Rents. The Property is subject to the Brookdale Master Lease. SPTBROOK shall not enter into any other Lease of the Property without the prior written consent of Lender. As used herein, the term "Tenant" shall mean and include the tenant and any guarantor of the tenant's obligations under a Lease, including, without limitation, the Brookdale Master Tenant and the Brookdale Lease Guarantors. SPTBROOK (i) shall observe and perform all the obligations imposed upon the lessor under the Leases (including, without limitation, the Brookdale Master Lease and the Brookdale Lease Guaranty) and shall not do or permit to be done anything to impair the value of any Lease as security for the Debt; (ii) shall promptly send copies to Lender of all notices of default which SPTBROOK shall send or receive under any Lease; (iii) shall enforce in a commercially reasonable manner all of the terms, covenants and conditions contained in the Leases upon the part of the Tenant thereunder to be observed or performed; (iv) shall not collect any of the Rents more than one (1) month in advance (provided that a security deposit shall not be deemed rent collected in advance); (v) shall not execute any other assignment of the lessor's interest in any Lease or Rents; (vi) shall not (A) materially alter, modify or change any of the terms of any Lease without the prior written consent of Lender or (B) cancel or terminate any Lease (including any lease guaranty) or transfer or suffer or permit a conveyance or transfer of the Land or of any interest therein so as to effect a merger of the estates and rights of, or a termination or diminution of the obligations of, Tenants thereunder; and (vii) shall not consent to any assignment of or subletting under any Lease not in accordance with the terms thereof, without the prior written consent of Lender. In the event that the Brookdale Master Lease is replaced by another Lease which, by express agreement of Lender, is superior to the lien of this Security Instrument or with respect to which a subordination, non-disturbance and attornment agreement is entered into by the Tenant under such Lease, SPTBROOK and Lender, the express references to the Brookdale Master Lease (and specific sections, articles and provisions thereof) and the Brookdale Master Tenant in Sections 3.3(a), 3.4(b), 3.5, 3.11 and 4.3(d) hereof shall be deemed to refer to such replacement Lease (and the corresponding sections, articles and provisions thereof) and the Tenant thereunder to the extent and as the Lender may, at its option and in its absolute discretion, so agrees with such Tenant and SPTBROOK.

Section 3.7 Maintenance of Property. Subject to the terms of the Brookdale Master Lease, SPTBROOK shall cause the Property to be maintained in a good and safe condition and repair. Except as expressly provided in the Brookdale Master Lease, the Improvements and the Personal Property shall not be removed, demolished or materially altered (except for normal replacement of the Personal Property) without the consent of Lender. If any part of the Property is destroyed by any casualty, or damaged, worn or dilapidated or affected by any proceeding of the character referred to in Section 3.5 hereof, then, subject to the terms of the Brookdale Master Lease, SPTBROOK shall, or shall cause the Tenants to, promptly repair, replace or rebuild the same. SPTBROOK shall complete and pay for, or cause the Tenants to complete and pay for, any structure at any time in the process of construction or repair on the Land. Except as set forth in the Brookdale Master Lease, SPTBROOK shall not initiate, join in, acquiesce in, or consent to

any change in any private restrictive covenant, zoning law or other public or private restriction, limiting or defining the uses which may be made of the Property or any part thereof. If under applicable zoning provisions the use of all or any portion of the Property is or shall become a nonconforming use, SPTBROOK will not cause, or, subject to the terms of the Brookdale Master Lease, permit, the nonconforming use or Improvement to be discontinued or abandoned without the express written consent of Lender.

Section 3.8 Waste. SPTBROOK shall not commit or suffer any material waste of the Property or make any change in the use of the Property which will in any way materially increase the risk of fire or other hazard arising out of the operation of the Property, or take any action that could reasonably be expected to result in invalidation or cancellation of any Policy.

SPTBROOK will not, without the prior written consent of Lender, permit any drilling or exploration for or extraction, removal, or production of any minerals from the surface or the subsurface of the Land, regardless of the depth thereof or the method of mining or extraction thereof.

Section 3.9 Compliance With Laws.

(a) SPTBROOK shall promptly comply, or cause the Tenants to comply, in all material respects with all existing and future federal, state and local laws, orders, ordinances, governmental rules and regulations or court orders affecting the Property, or the use thereof including, but not limited to, the Americans with Disabilities Act ("ADA") (collectively, "Applicable Law").

(b) SPTBROOK shall from time to time, upon Lender's request, provide Lender with evidence reasonably satisfactory to Lender that the Property complies in all material respects with all Applicable Laws or is exempt from compliance with Applicable Laws.

(c) Subject to the provisions of the Brookdale Master Lease, but otherwise notwithstanding any provisions set forth herein or in any document regarding Lender's approval of alterations of the Property, SPTBROOK shall not alter, or permit any Tenant to alter, the Property in any manner which would materially increase SPTBROOK's responsibilities for compliance with Applicable Laws without the prior written approval of Lender. Lender's approval of the plans, specifications, or working drawings for alterations of the Property shall create no responsibility or liability on behalf of Lender for their completeness, design, sufficiency or their compliance with Applicable Laws. Lender may condition any such approval upon receipt of a certificate of compliance with Applicable Laws from an independent architect, engineer, or other person acceptable to Lender.

(d) SPTBROOK shall give prompt notice to Lender of the receipt by SPTBROOK of any notice related to a violation of any Applicable Laws and of the commencement of any proceedings or investigations which relate to compliance with Applicable Laws.

(e) SPTBROOK, at its own expense, may contest or permit a Tenant in accordance with its Lease to contest, by appropriate legal proceeding, promptly initiated and conducted in good faith and with due diligence, the Applicable Laws affecting the Property; provided that (i) no Event of Default has occurred under this Security Instrument or any of the Other Security Documents; (ii) such proceeding shall be permitted under and be conducted in accordance with the provisions of any other instrument to which SPTBROOK is subject and shall not constitute a default thereunder; (iii) neither the Property nor any part thereof or interest therein nor any of Tenant thereof shall be affected in any material adverse way as a result of such proceeding; and (iv) SPTBROOK shall have furnished to Lender all other items reasonably requested by Lender; provided further that limits in this Section 3.9(e) on the Brookdale Master Tenant's right to contest Applicable Laws are subject to the Brookdale Master Tenant's rights under the Brookdale Master Lease.

Section 3.10 Books and Records.

(a) SPTBROOK shall keep adequate books and records of account in accordance with generally accepted accounting principles consistently applied.

(b) Upon reasonable request from Lender, SPTBROOK shall furnish to Lender an accounting of any security deposits held in connection with any Lease of any part of the Property, including the name and identification number of the accounts in which such security deposits are held, the name and address of the financial institutions in which such security deposits are held, and the name of the person to contact at such financial institution, along with any authority or release necessary for Lender to obtain information regarding such accounts directly from such financial institutions.

(c) SPTBROOK shall furnish Lender with such financial, management information or other with respect to the Property and the Tenants as may, from time to time, be reasonably required by Lender in form and substance reasonably satisfactory to Lender.

Section 3.11 Payment For Labor and Materials. SPTBROOK will promptly pay or cause to be paid when due all bills and costs for labor, materials, and specifically fabricated materials incurred in connection with the Property and never permit to exist beyond the due date thereof in respect of the Property or any part thereof any lien or security interest, even though inferior to the liens and the security interests hereof, and in any event never permit to be created or exist in respect of the Property or any part thereof any other or additional lien or security interest other than the liens or security interests hereof, except for the Permitted Exceptions (defined in Section 5.1), other Permitted Exceptions (as defined in the Loan Agreement) with respect to the Property, and liens permitted under Section 7.1 of the Brookdale Master Lease other than clauses (b), (c) and (g) of such Section 7.1.

Section 3.12 Performance of Other Agreements. SPTBROOK shall observe and perform or cause to be observed and performed in all material respects each and every term to be

observed or performed by SPTBROOK pursuant to the terms of any agreement or recorded instrument affecting or pertaining to the Property.

Section 3.13 Change of Name, Identity or Structure. SPTBROOK will not change SPTBROOK's name, identity (including its trade name or names) or SPTBROOK's organizational structure without notifying the Lender of such change in writing at least thirty (30) days prior to the effective date of such change and, in the case of a change in SPTBROOK's organizational structure, without first obtaining the prior written consent of the Lender, which consent shall not be unreasonably withheld.

Section 3.14 Existence. SPTBROOK will continuously maintain (a) its existence and shall not dissolve or permit its dissolution, (b) its rights to do business in the state where the Property is located and (c) its franchises and trade names, if any.

Article 4 - SPECIAL COVENANTS

SPTBROOK covenants and agrees with Lender that:

Section 4.1 Property Use. The Property shall be used only as an a residential retirement community, including nursing care, congregate care, and all other uses reasonably incidental thereto, and, except as otherwise expressly provided in the Brookdale Master Lease, for no other use without the prior written consent of Lender, which consent may be withheld in Lender's sole and absolute discretion.

Section 4.2 Restoration After Casualty/Condemnation. In the event of a casualty or a taking by eminent domain, the following provisions shall apply in connection with the Restoration of the Property:

(a) If (i) the Net Proceeds (defined below) do not exceed \$250,000 ("Casualty Amount"); (ii) the costs of completing the Restoration as reasonably estimated by SPTBROOK shall be less than or equal to the Casualty Amount; (iii) no Event of Default shall have occurred and be continuing under this Security Instrument or any of the Other Security Documents; (iv) the Property and the use thereof after the Restoration will be in compliance with, and permitted under, all applicable zoning laws, ordinances, rules and regulations (including, without limitation, all applicable Environmental Laws (defined in Section 11.1); and (v) such fire or other casualty or taking, as applicable, does not materially impair access to the Property or the Improvements, then the Net Proceeds will be disbursed directly to SPTBROOK and SPTBROOK shall commence and diligently prosecute to completion, subject to Force Majeure (defined herein), the Restoration of the Property to as nearly as possible the condition it was in immediately prior to such fire or other casualty or to such taking. Except upon the occurrence of an Event of Default, SPTBROOK shall settle any insurance claims with respect to the Net Proceeds which in the aggregate are less than or equal to the Casualty Amount. Lender shall have the right to participate in and reasonably approve any settlement for insurance claims with

respect to the Net Proceeds which in the aggregate are equal to or greater than the Casualty Amount. If an Event of Default shall have occurred and be continuing, SPTBROOK hereby irrevocably empowers Lender, in the name of SPTBROOK as its true and lawful attorney-in-fact, to file and prosecute such claim and to collect and to make receipt for any such payment. If the Net Proceeds are received by SPTBROOK, such Net Proceeds shall, until the completion of the related work, be held in trust for Lender and shall be segregated from other funds of SPTBROOK to be used to pay for the cost of the Restoration in accordance with the terms hereof.

(b) If the Net Proceeds are greater than the Casualty Amount, such Net Proceeds shall be forthwith paid to Lender to be held by Lender in a segregated account to be made available to SPTBROOK for the Restoration in accordance with the provisions of this Subsection 4.2(b). SPTBROOK shall commence and diligently prosecute to completion, subject to Force Majeure, the Restoration (in the case of a taking, to the extent the Property is capable of being restored). The term "Net Proceeds" for purposes of this Section 4.2 shall mean: (i) the net amount of all insurance proceeds received by Lender under the Policies carried pursuant to Subsections 3.3(a)(i), (iv), (v), (vi) and (vii) of this Security Instrument as a result of such damage or destruction, after deduction of its reasonable costs and expenses (including, but not limited to, reasonable counsel fees) if any, in collecting the same, or (ii) the net amount of all awards and payments received by Lender with respect to a taking referenced in Section 3.6 of this Security Instrument, after deduction of its reasonable costs and expenses (including, but not limited to reasonable counsel fees), if any, in collecting the same, whichever the case may be. The term "Force Majeure" for the purpose of this Section 4.2 shall have the following meaning: SPTBROOK shall be excused for the period of any delay in the performance of any obligations hereunder when prevented from so doing by cause or causes beyond SPTBROOK's control such as, without limitation, all labor disputes, civil commotion, war, war-like operations, invasion, rebellion, hostilities, military or usurped power, sabotage, governmental regulations or controls, fire or other casualty, inability to obtain any materials or services, and acts of God.

(1) The Net Proceeds shall be made available to SPTBROOK for payment of, or reimbursement of SPTBROOK's expenses in connection with, the Restoration, subject to the following conditions:

(A) no Event of Default shall have occurred and be continuing under this Security Instrument or any of the Other Security Documents;

(B) Lender shall, within a reasonable period of time prior to request for initial disbursement, be furnished with an estimate of the cost of the Restoration accompanied by an independent architect's certification as to such costs and appropriate plans and specifications for the Restoration;

(C) the Net Proceeds, together with any cash or cash equivalent deposited by SPTBROOK with Lender, are sufficient to cover the cost of the Restoration as such costs are certified by the independent architect;

(D) (i) in the event that the Net Proceeds are insurance proceeds, less than fifty percent (50%) of the total floor area of the Improvements has been damaged or destroyed, or rendered unusable as a result of such fire or other casualty; or (ii) in the event that the Net Proceeds are condemnation awards, less than fifty percent (50%) of the Land constituting the Property is taken, such Land that is taken is located along the perimeter or periphery of the Property and no portion of the Improvements is located in such Lands;

(E) Lender shall be satisfied that any operating deficits which will be incurred with respect to the Property as a result of the occurrence of any such fire or other casualty or taking, whichever the case may be, will be covered out of (i) the Net Proceeds, or (ii) other funds of SPTBROOK;

(F) Lender shall be satisfied that, upon the completion of the Restoration and related lease-up, if applicable, the net cash flow of the Property will be restored to a level sufficient to cover all carrying costs and operating expenses of the Property;

(G) the Restoration can reasonably be completed on or before the earliest to occur of (i) six (6) months prior to the Termination Date (as defined in the Loan Agreement), (ii) the earliest date required for such completion under the terms of any Lease and (iii) such time as may be required under applicable zoning law, ordinance, rule or regulation in order to repair and restore the Property to as nearly as possible the condition it was in immediately prior to such fire or other casualty or to such taking, as applicable;

(H) the Property and the use thereof after the Restoration will be in compliance with, and permitted under, all applicable zoning laws, ordinances, rules and regulations (including, without limitation, the ADA and all applicable Environmental Laws (defined in Section 11.1); and

(I) such fire or other casualty or taking, as applicable, does not materially impair access to the Property or the Improvements.

(2) The Net Proceeds shall be held by Lender and, until disbursed in accordance with the provisions of this Subsection 4.2(b), shall constitute additional security for the Obligations. The Net Proceeds other than the Net Proceeds paid under the Policy described in Subsection 3.3(a)(iv) shall be disbursed by Lender to, or as directed by, SPTBROOK from time to time during the course of the Restoration, upon receipt of evidence satisfactory to Lender that (A) all materials installed and work and labor performed (except to the extent that they are to be paid for out of the requested disbursement) in connection with the Restoration have been paid for in full, and (B) there exist no notices of pendency, stop orders, mechanic's or materialman's liens or notices of intention to file same, or any other liens or encumbrances of any nature whatsoever on the Property arising out of the Restoration which have not either been fully bonded and discharged of record or in the alternative fully insured to the satisfaction of Lender by the title company insuring the lien of this Security Instrument.

(3) Lender shall have the use of the plans and specifications and all permits, licenses and approvals required or obtained in connection with the Restoration. The identity of the contractors, subcontractors and materialmen engaged in the Restoration, as well as the contracts under which they have been engaged, shall be subject to prior review and acceptance by Lender and an independent consulting engineer selected by Lender (the "Casualty Consultant"), such acceptance not to be unreasonably withheld or delayed. All costs and expenses incurred by Lender in connection with making the Net Proceeds available for the Restoration including, without limitation, reasonable counsel fees and disbursements and the Casualty Consultant's fees, shall be paid by SPTBROOK.

(4) In no event shall Lender be obligated to make disbursements of the Net Proceeds in excess of an amount equal to the costs actually incurred from time to time for work in place as part of the Restoration, as certified by the Casualty Consultant, minus the Casualty Retainage. The term "Casualty Retainage" as used in this Subsection 4.2(b) shall mean an amount equal to 10% of the costs actually incurred for work in place as part of the Restoration, as certified by the Casualty Consultant, until such time as the Casualty Consultant certifies to Lender that 50% of the required Restoration has been completed. There shall be no Casualty Retainage with respect to costs actually incurred by SPTBROOK for work in place in completing the last 50% of the required Restoration. The Casualty Retainage shall in no event, and notwithstanding anything to the contrary set forth above in this Subsection 4.2(b), be less than the amount actually held back by SPTBROOK from contractors, subcontractors and materialmen engaged in the Restoration. The Casualty Retainage shall not be released until the Casualty Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Subsection 4.2(b) and that all approvals necessary for the re-occupancy and use of the Property have been obtained from all appropriate governmental and quasi-governmental authorities, and Lender receives evidence satisfactory to Lender that the costs of the Restoration have been paid in full or will be paid in full out of the Casualty Retainage, provided, however, that Lender will release the portion of the Casualty Retainage being held with respect to any contractor, subcontractor or materialman engaged in the Restoration as of the date upon which the Casualty Consultant certifies to Lender that the contractor, subcontractor or materialman has satisfactorily completed all work and has supplied all materials in accordance with the provisions of the contractor's, subcontractor's or materialman's contract, and the contractor, subcontractor or materialman delivers the lien waivers and evidence of payment in full of all sums due to the contractor, subcontractor or materialman as may be reasonably requested by Lender or by the title company insuring the lien of this Security Instrument. If required by Lender, the release of any such portion of the Casualty Retainage shall be approved by the surety company, if any, which has issued a payment or performance bond with respect to the contractor, subcontractor or materialman.

(5) Lender shall not be obligated to make disbursements of the Net Proceeds more frequently than once every calendar month.

(6) If at any time the Net Proceeds or the undisbursed balance thereof shall not, in the opinion of Lender, be sufficient to pay in full the balance of the costs which are

estimated by the Casualty Consultant to be incurred in connection with the completion of the Restoration, SPTBROOK shall deposit the deficiency (the "Net Proceeds Deficiency") with Lender before any further disbursement of the Net Proceeds shall be made. The Net Proceeds Deficiency deposited with Lender shall be held by Lender and shall be disbursed for costs actually incurred in connection with the Restoration on the same conditions applicable to the disbursement of the Net Proceeds, and until so disbursed pursuant to this Subsection 4.2(b) shall constitute additional security for the Obligations.

(7) The excess, if any, of the Net Proceeds and the remaining balance, if any, of the Net Proceeds Deficiency deposited with Lender after the Casualty Consultant certifies to Lender that the Restoration has been completed in accordance with the provisions of this Subsection 4.2(b), and the receipt by Lender of evidence satisfactory to Lender that all costs incurred in connection with the Restoration have been paid in full, shall be remitted by Lender to SPTBROOK, provided no Event of Default shall have occurred and shall be continuing under the Loan Agreement, this Security Instrument or any of the Other Security Documents.

(c) All Net Proceeds not required (i) to be made available for the Restoration or (ii) to be returned to SPTBROOK as excess Net Proceeds pursuant to Subsection 4.2(b)(vii) shall be retained and applied by Lender toward the payment of the amount owing from SHPT to Lender under the Loan Agreement, whether or not then due and payable, in such order, priority and proportions as Lender in its discretion shall deem proper or, at the discretion of Lender, the same shall be paid, either in whole or in part to SPTBROOK.

(d) Anything in Section 4.2 hereof to the contrary notwithstanding, during the term of the Brookdale Master Lease and so long as the Brookdale Master Lease is in full force and effect, the provisions of Section 4.2 hereof shall be subject to the provisions of Articles 10 and 11 of the Brookdale Master Lease. Without limiting the foregoing, SPTBROOK shall comply with and cause the Brookdale Master Tenant to comply with such provisions of the Brookdale Master Lease, and Lender shall be a third party beneficiary thereof.

Article 5 - REPRESENTATIONS AND WARRANTIES

SPTBROOK represents and warrants to Lender that:

Section 5.1 Warranty of Title. SPTBROOK has good and marketable title to the Property and has the right to mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey the same and that SPTBROOK possesses an unencumbered fee simple absolute estate in the Land and the Improvements and that it owns the Property free and clear of all liens, encumbrances and charges whatsoever except for those exceptions shown in the title insurance policy insuring the lien of this Security Instrument (the "Permitted Exceptions"). The Permitted Exceptions do not materially interfere with the security intended to be provided by this Security Instrument or the use and operations of the Property. SPTBROOK shall forever warrant, defend and preserve the title and the validity and priority of the lien of this Security Instrument and shall forever warrant and defend the same to Lender against the claims of all persons whomsoever.

Upon the recordation of this Security Instrument and the filing of a UCC Financing Statement in the office of the Secretary of State for the state where the Property is located, the Lender will have a first priority perfected security interest in all personal property owned by SPTBROOK at the Property.

Section 5.2 Authority. SPTBROOK (and the undersigned officer of SPTBROOK) has full power, authority and legal right to execute this Security Instrument, and to mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey the Property pursuant to the terms hereof and to keep and observe all of the terms of this Security Instrument on SPTBROOK's part to be performed.

Section 5.3 Legal Status and Authority. SPTBROOK (a) is duly organized, validly existing and in good standing as a real estate investment trust under the laws of the State of Maryland; (b) is duly qualified to transact business and is in good standing in the state where the Property is located; and (c) has all necessary approvals, governmental and otherwise, and full power and authority to own the Property. SPTBROOK now has and shall continue to have the full right, power and authority to operate and lease the Property, to encumber the Property as provided herein and to perform all of the other obligations to be performed by SPTBROOK under this Security Instrument.

Section 5.4 Validity. (a) The execution, delivery and performance of this Security Instrument by SPTBROOK (i) are within the power and authority of SPTBROOK; (ii) have been authorized by all requisite organizational action; (iii) have received all necessary approvals and consents, corporate, governmental or otherwise; (iv) will not violate, conflict with, result in a breach of or constitute (with notice or lapse of time, or both) a default under any provision of law (including, without limitation, any usury laws), any order or judgment of any court or governmental authority, the articles of incorporation, by-laws, partnership or operating agreement, or other governing instrument of SPTBROOK, or any indenture, agreement or other instrument to which SPTBROOK is a party or by which it or any of its assets or the Property is or may be bound or affected; (v) will not result in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of its assets, except the lien and security interest created hereby; and (vi) will not require any authorization or license from, or any filing with, any governmental or other body (except for the recordation of this instrument in appropriate land records in the state where the Property is located and except for Uniform Commercial Code filings relating to the security interest created hereby), and (b) this Security Instrument constitutes the legal, valid and binding obligation of SPTBROOK.

Section 5.5 Litigation. There is no action, suit or proceeding, judicial, administrative or otherwise (including any condemnation or similar proceeding), pending or, to the best of SPTBROOK's knowledge, threatened or contemplated against SPTBROOK or against or affecting the Property that has not been disclosed to Lender and, if determined adversely to SPTBROOK, would have a material adverse effect on the Property or SPTBROOK's ability to perform its obligations under the Loan Agreement, this Security Instrument or the Other Security Documents.

Section 5.6 Status of Property.

(a) Except as disclosed in the survey of the Property delivered to Lender pursuant to Section 4.1 of the Loan Agreement, no portion of the Improvements is located in an area identified by the Secretary of Housing and Urban Development or any successor thereto as an area having special flood hazards pursuant to the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, or the National Flood Insurance Reform Act of 1994, as each may be amended, or any successor law; and, if any portion of the Improvements is now or at any time in the future located within any such area, SPTBROOK has obtained or caused to be obtained and will maintain or cause to be maintained the insurance prescribed in Section 3.3(a)(vi) hereof.

(b) As of the date hereof, the Property is free from damage caused by fire or other casualty.

(c) The Tenants own or lease, or are acquiring by installment sale, substantially all of the personal property used in connection with the operation of the Property. Other than such property owned, leased or being acquired by the Tenants, SPTBROOK is the owner of all furnishings, fixtures and equipment used in connection with the operation of the Property, free and clear of any and all security interests, liens or encumbrances, except the lien and security interest created hereby.

(d) All security deposits required by the Leases have been collected and are held by or on behalf of SPTBROOK.

(e) All the Improvements lie within the boundaries of the Property.

Section 5.7 No Foreign Person. SPTBROOK is not a "foreign person" within the meaning of Section 1445(f)(3) of the Internal Revenue Code of 1986, as amended and the related Treasury Department regulations, including temporary regulations.

Section 5.8 Separate Tax Lot. The Property is assessed for real estate tax purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of such lot or lots, and no other land or improvements is assessed and taxed together with the Property or any portion thereof.

Section 5.9 Leases. (a) SPTBROOK is the sole owner of the entire lessor's interest in the Leases, which as of the date hereof consists solely of the Brookdale Lease and the Brookdale Lease Guaranty; (b) the Leases are valid and enforceable; (c) SPTBROOK has delivered or caused to be delivered to Lender true and complete copies of the Leases, including all amendments, modifications and supplements thereto; (d) none of the Rents reserved in the Leases have been assigned or otherwise pledged or hypothecated (except to Lender); (e) none of the Rents have been collected for more than one (1) month in advance (provided that a security deposit shall not be deemed rent collected in advance); (f) the premises demised under the Leases

have been completed and the Tenants under the Leases have accepted the same and have taken possession of the same on a rent-paying basis; (g) there exist no offsets or defenses to the payment of any portion of the Rents; (h) SPTBROOK has received no notice from any Tenant challenging the validity or enforceability of any Lease; (i) all payments due under the Leases are current; (j) no Tenant under any Lease is in default thereunder, or is a debtor in any bankruptcy, reorganization, insolvency or similar proceeding, or has demonstrated a history of payment problems which suggest financial difficulty; (k) there are no agreements with the Tenants with respect to the Property other than as expressly set forth in the Leases; (l) no person has any possessory interest in, or right to occupy, the Property except under and pursuant to a Lease; and (m) no brokerage commissions or finders fees are due and payable regarding any Lease.

Section 5.10 Mailing Address. SPTBROOK's mailing address, as set forth in the opening paragraph hereof or as changed in accordance with Article 14, is true and correct.

Section 5.11 Illegal Activity. No portion of the Property has been or will be purchased, improved, fixtured, equipped or furnished with proceeds of any criminal or other illegal activity and to the best of SPTBROOK's knowledge, there are no illegal activities or activities relating to controlled substance at the Property.

Article 6 - DEBTOR CREDITOR RELATIONSHIP

Section 6.1 Relationship of SPTBROOK and Lender. The relationship between SPTBROOK and Lender is solely that of guarantor and creditor, and Lender has no fiduciary or other special relationship with SPTBROOK, and no term or condition of any of the Loan Agreement, this Security Instrument and the Other Security Documents shall be construed so as to deem the relationship between SPTBROOK and Lender to be other than that of guarantor and creditor.

Article 7 - FURTHER ASSURANCES

Section 7.1 Recording of Security Instrument, Etc. SPTBROOK forthwith upon the execution and delivery of this Security Instrument and thereafter, from time to time, will cause this Security Instrument and any of the Other Security Documents creating a lien or security interest or evidencing the lien hereof upon the Property and each instrument of further assurance to be filed, registered or recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect and perfect the lien or security interest hereof upon, and the interest of Lender in, the Property. SPTBROOK will pay or cause to be paid all taxes, filing, registration or recording fees, and all expenses incident to the preparation, execution, acknowledgment and/or recording of this Security Instrument, the Other Security Documents, any mortgage supplemental hereto, any security instrument with respect to the Property and any instrument of further assurance, and any modification or amendment of the foregoing documents, and all federal, state, county and municipal taxes, duties, imposts,

assessments and charges arising out of or in connection with the execution and delivery of this Security Instrument, any mortgage supplemental hereto, any security instrument with respect to the Property or any instrument of further assurance, and any modification or amendment of the foregoing documents, except where prohibited by law so to do.

Section 7.2 Further Acts, Etc. SPTBROOK will, at the cost of SPTBROOK, and without expense to Lender, do, execute, acknowledge and deliver all and every such further acts, deeds, conveyances, mortgages, assignments, notices of assignments, transfers and assurances as Lender shall, from time to time, reasonably require, for the better assuring, conveying, assigning, transferring, and confirming unto Lender, the property and rights hereby mortgaged, granted, bargained, sold, conveyed, confirmed, pledged, assigned, warranted and transferred or intended now or hereafter so to be, or which SPTBROOK may be or may hereafter become bound to convey or assign to Lender, or for carrying out the intention or facilitating the performance of the terms of this Security Instrument or for filing, registering or recording this Security Instrument, or for complying with all Applicable Laws. SPTBROOK, on demand, will execute and deliver and hereby authorizes Lender to execute in the name of SPTBROOK or without the signature of SPTBROOK to the extent Lender may lawfully do so, one or more financing statements, chattel mortgages or other instruments, to evidence or perfect more effectively the security interest of Lender in the Property. SPTBROOK grants to Lender an irrevocable power of attorney coupled with an interest for the purpose of exercising and perfecting any and all rights and remedies available to Lender pursuant to this Section 7.2.

Section 7.3 Changes in Tax, Debt Credit and Documentary Stamp Laws.

(a) If any law is enacted or adopted or amended after the date of this Security Instrument which deducts the Debt from the value of the Property for the purpose of taxation or which imposes a tax, either directly or indirectly, on the Debt or Lender's interest in the Property, SPTBROOK will pay the tax, with interest and penalties thereon, if any. If Lender is advised by counsel chosen by it that the payment of tax by SPTBROOK would be unlawful or taxable to Lender or unenforceable or provide the basis for a defense of usury, then Lender shall have the option by written notice of not less than sixty (60) days to (i) exclude the Property for purposes of determining the aggregate Appraised Value (as defined in the Loan Agreement) of the SPTMRT Properties and the SPTBROOK Properties under Section 2.8(b) of the Loan Agreement, which may give rise to a mandatory prepayment of the Loans under such Section of the Loan Agreement, and (ii) thereafter release the Security Instrument.

(b) SPTBROOK will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the Taxes or Other Charges assessed against the Property, or any part thereof, and no deduction shall otherwise be made or claimed from the assessed value of the Property, or any part thereof, for real estate tax purposes by reason of this Security Instrument or the Debt. If such claim, credit or deduction shall be required by law, Lender shall have the option by written notice of not less than sixty (60) days to (i) exclude the Property for purposes of determining the aggregate Appraised Value (as defined in the Loan Agreement) of the SPTMRT Properties and the SPTBROOK Properties under Section 2.8(b) of

the Loan Agreement, which may give rise to a mandatory prepayment of the Loans under such Section of the Loan Agreement, and (ii) thereafter release the Security Instrument.

(c) If at any time the United States of America, any state thereof or any subdivision of any such state shall require revenue or other stamps to be affixed to the Loan Agreement, this Security Instrument, or any of the Other Security Documents or impose any other tax or charge on the same, SPTBROOK will pay for the same, with interest and penalties thereon, if any.

Section 7.4 Estoppel Certificates.

(a) After request by Lender, SPTBROOK, within ten (10) business days, shall furnish Lender or any proposed assignee with a statement, duly acknowledged and certified, setting forth (i) that, except as provided in such statement, there are no defaults or events which with the passage of time or the giving of notice or both, would constitute an event of default under this Security Instrument, (ii) that the Loan Agreement and this Security Instrument are valid, legal and binding obligations of SPTBROOK and have not been modified or if modified, giving particulars of such modification, (iii) whether any offsets or defenses exist against the obligations secured hereby and, if any are alleged to exist, a detailed description thereof, (iv) that all Leases are in full force and effect and have not been modified (or if modified, setting forth all modifications), (v) the date to which the Rents thereunder have been paid pursuant to the Leases, (vi) whether or not, to the best knowledge of SPTBROOK, any of the Tenants are in default under the Leases, and, if any of the Tenants are in default, setting forth the specific nature of all such defaults, (vii) the amount of security deposits held by SPTBROOK under each Lease and that such amounts are consistent with the amounts required under each Lease, and (viii) as to any other matters reasonably requested by Lender and reasonably related to the Leases, the obligations secured hereby, the Property or this Security Instrument.

(b) SPTBROOK shall deliver to Lender, promptly upon request, duly executed estoppel certificates from any one or more Tenants as required by Lender attesting to such facts regarding the Leases as Lender may reasonably require, including, but not limited to attestations that the Lease covered thereby is in full force and effect with no defaults thereunder on the part of any party, that none of the Rents have been paid more than one month in advance, except as security, and that the lessee claims no defense or offset against the full and timely performance of its obligations under such Lease.

Section 7.5 Flood Insurance. After Lender's request, SPTBROOK shall deliver evidence satisfactory to Lender that no portion of the Improvements is situated in a federally designated "special flood hazard area" or, if it is, that SPTBROOK has obtained insurance meeting the requirements of Section 3.3(a)(vi).

Section 7.6 Amended Financing Statements. SPTBROOK will execute and deliver to the Lender, prior to or contemporaneously with the effective date of any such change, any

financing statement or financing statement change required by the Lender to establish or maintain the validity, perfection and priority of the security interest granted herein.

Article 8 - DUE ON SALE/ENCUMBRANCE

Section 8.1 No Sale/Encumbrance. SPTBROOK agrees that SPTBROOK shall not, without the prior written consent of Lender, sell, convey, mortgage, grant, bargain, encumber, pledge, assign or otherwise transfer the Property or any part thereof or permit the Property or any part thereof to be sold, conveyed, mortgaged, granted, bargained, encumbered, pledged, assigned, or otherwise transferred.

Section 8.2 Sale/Encumbrance Defined. A sale, conveyance, mortgage, grant, bargain, encumbrance, pledge assignment or transfer within the meaning of this Article 8 shall be deemed to include, but not be limited to, any of the following: (a) an installment sales agreement wherein SPTBROOK agrees to sell the Property or any part thereof for a price to be paid in installments; (b) an agreement by SPTBROOK leasing all or a substantial part of the Property for other than actual occupancy by a space tenant thereunder or a sale, assignment or other transfer of, or the grant of a security interest in, SPTBROOK's right, title and interest in and to any Leases or any Rents (other than pursuant to the Loan Documents); and (c) if SHPT ceases to be the owner of 100% of the issued and outstanding shares of beneficial ownership of SPTBROOK.

Section 8.3 Lender's Rights. Lender shall not be required to demonstrate any actual impairment of its security or any increased risk of default hereunder in order to declare the Debt immediately due and payable upon SPTBROOK's sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment or transfer of the Property without Lender's consent. This provision shall apply to every sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or transfer of the Property regardless of whether voluntary or not, or whether or not Lender has consented to any previous sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment or transfer of the Property.

Article 9 - DEFAULT

Section 9.1 Events of Default. The occurrence of any one or more of the following events shall constitute an "Event of Default":

- (a) an Event of Default as defined in the Loan Agreement;
- (b) if any representation or warranty of SPTBROOK made herein or in any environmental indemnity, or in any certificate, report, financial statement or other instrument or document furnished to Lender shall have been false or misleading in any material respect when made;

(c) if any default occurs under any environmental indemnity executed in connection herewith and such default continues after the expiration of applicable grace periods, if any;

(d) except for the specific defaults set forth in this Section 9.1, any other default hereunder by SPTBROOK which default is not cured (i) in the case of any default which can be cured by the payment of a sum of money, within five (5) days after written notice from Lender to SPTBROOK or SHPT, or (ii) in the case of any other default, within twenty (20) days after written notice from Lender to SPTBROOK or SHPT;

(e) if the insurance required by Section 3.3 is not kept in full force and effect, or SPTBROOK has not delivered or caused to be delivered to Lender evidence of the renewal of the policies of such insurance prior to their expiration; or

(f) if SPTBROOK defaults beyond the expiration of any applicable notice and grace period under any of the Other Security Documents.

Article 10 - RIGHTS AND REMEDIES

Section 10.1 Remedies.

(a) Upon the occurrence of any Event of Default, SPTBROOK agrees that Lender may take such action, without notice or demand, as it deems advisable to protect and enforce the rights of Lender against SPTBROOK and in and to the Property, including, but not limited to the following actions, each of which may be pursued concurrently or otherwise, at such time and in such order as Lender may determine, in its sole discretion, without impairing or otherwise affecting the other rights and remedies of Lender:

(i) institute proceedings, judicial or otherwise, for the complete foreclosure of this Security Instrument under any applicable provision of law in which case the Property or any interest therein may be sold for cash or upon credit in one or more parcels or in several interests or portions and in any order or manner;

(ii) with or without entry, to the extent permitted and pursuant to the procedures provided by applicable law, institute proceedings for the partial foreclosure of this Security Instrument for the portion of the Debt then due and payable, subject to the continuing lien and security interest of this Security Instrument for the balance of the Debt not then due, unimpaired and without loss of priority;

(iii) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of SPTBROOK therein and rights of redemption thereof, pursuant to power of sale or otherwise, at one or more sales, as an entirety or in parcels,

at such time and place, upon such terms and after such notice thereof as may be required or permitted by law;

(iv) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Loan Agreement or in the Other Security Documents;

(v) recover judgment on the Debt either before, during or after any proceedings for the enforcement of this Security Instrument or the Other Security Documents;

(vi) apply for the appointment of a receiver, trustee, liquidator or conservator of the Property, without notice and without regard for the adequacy of the security for the Debt and without regard for the solvency of SPTBROOK or of any person liable for the payment of the Debt;

(vii) subject to any applicable law, the license granted to SPTBROOK under Section 1.2 shall automatically be revoked and Lender may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess SPTBROOK and its agents and servants therefrom, without liability for trespass, damages or otherwise and exclude SPTBROOK and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and SPTBROOK agrees to surrender possession of the Property and of such books, records and accounts to Lender upon demand, and thereupon Lender may (A) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat; (B) complete any construction on the Property in such manner and form as Lender deems advisable; (C) make alterations, additions, renewals, replacements and improvements to or on the Property; (D) exercise all rights and powers of SPTBROOK with respect to the Property, whether in the name of SPTBROOK or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases, obtain and evict Tenants, and demand, sue for, collect and receive all Rents of the Property and every part thereof; (E) require SPTBROOK to pay monthly in advance to Lender, or any receiver appointed to collect the Rents, the fair and reasonable rental value for the use and occupation of such part of the Property as may be occupied by SPTBROOK; (F) require SPTBROOK to vacate and surrender possession of the Property to Lender or to such receiver and, in default thereof, SPTBROOK may be evicted by summary proceedings or otherwise; and (G) apply the receipts from the Property to the payment of the Debt, in such order, priority and proportions as Lender shall deem appropriate in its sole discretion after deducting therefrom all expenses (including reasonable attorneys' fees) incurred in connection with the aforesaid operations and all amounts necessary to pay the Taxes, Other Charges, insurance and other expenses in connection with the Property, as well as just and reasonable compensation for the services of Lender, its counsel, agents and employees;

(viii) exercise any and all rights and remedies granted to a secured party upon default under the Uniform Commercial Code, including, without limiting the generality of the foregoing: (A) the right to take possession of the Collateral or any part thereof, and to take

such other measures as Lender may deem necessary for the care, protection and preservation of the Collateral, and (B) request SPTBROOK at its expense to assemble the Collateral and make it available to Lender at a convenient place acceptable to Lender. Any notice of sale, disposition or other intended action by Lender with respect to the Collateral sent to SPTBROOK in accordance with the provisions hereof at least five (5) days prior to such action, shall constitute commercially reasonable notice to SPTBROOK;

(ix) apply any sums held in escrow or otherwise by Lender in accordance with the terms of this Security Instrument or any Other Security Document to the payment of the following items in any order in its sole and absolute discretion:

(A) Taxes and Other Charges;

(B) Insurance Premiums;

(C) Interest on the unpaid principal balance of the Debt;

(D) the unpaid principal balance of the Debt; and all other sums payable by SPTBROOK pursuant to the Loan Agreement, the Notes, the Other Loan Documents, this Security Instrument and the Other Security Documents, including, without limitation, advances made by Lender pursuant to the terms of this Security Instrument;

(x) surrender the Policies maintained pursuant to Article 3 hereof, collect the unearned Insurance Premiums and apply such sums as a credit on the Debt in such priority and proportion as Lender in its discretion shall deem proper, and in connection therewith, SPTBROOK hereby appoints Lender as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for SPTBROOK to collect such Insurance Premiums;

(xi) apply the undisbursed balance of any Net Proceeds or any Net Proceeds Deficiency deposit, together with interest thereon, to the payment of the Debt in such order, priority and proportions as Lender shall deem to be appropriate in its discretion;

(xii) prohibit SPTBROOK and anyone claiming on behalf of or through SPTBROOK from making use of or withdrawing any sums from any lockbox or similar account, if any;

(xiii) pursue such other remedies as Lender may have under applicable law.

(b) In the event of a sale, by foreclosure, power of sale, or otherwise, of less than all of the Property, this Security Instrument shall continue as a lien and security interest on the remaining portion of the Property unimpaired and without loss of priority.

(c) Lender may adjourn from time to time any sale by it to be made under or by virtue of this Security Instrument by announcement at the time and place appointed for such sale or for such adjourned sale or sales; and, except as otherwise provided by any applicable provision of law, Lender, without further notice or publication, may make such sale at the time and place to which the same shall be so adjourned.

(d) Upon any sale made under or by virtue of this Section 10.1, whether made under a power of sale or under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Lender may bid for and acquire the Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Debt the net sales price after deducting therefrom the expenses of the sale and costs of the action and any other sums which Lender is authorized to deduct under this Security Instrument.

Section 10.2 Application of Proceeds. The purchase money, proceeds and avails of any disposition of the Property, or any part thereof, or any other sums collected by Lender pursuant to the Loan Agreement, this Security Instrument or the Other Security Documents, may be applied by Lender to the payment of the Debt in such priority and proportions as Lender in its discretion shall deem proper.

Section 10.3 Right to Cure Defaults. Upon the occurrence and during the continuance of any Event of Default, Lender may, but without any obligation to do so and without notice to or demand on SPTBROOK and without releasing SPTBROOK from any obligation hereunder, cure the same in such manner and to such extent as Lender may deem necessary to protect the security hereof. Lender is authorized to enter upon the Property for such purposes, or appear in, defend, or bring any action or proceeding to protect its interest in the Property or to foreclose this Security Instrument or collect the Debt, and the cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 10.3, shall constitute a portion of the Debt and shall be due and payable to Lender upon demand. All such costs and expenses incurred by Lender in remedying such Event of Default or in appearing in, defending, or bringing any such action or proceeding shall bear interest at the Base Rate (as defined in the Loan Agreement) plus 2% (the "Default Rate") for the period after notice from Lender that such cost or expense was incurred to the date of payment to Lender. All such costs and expenses incurred by Lender together with interest thereon calculated at the Default Rate shall be deemed to constitute a portion of the Debt and be secured by this Security Instrument and the Other Security Documents and shall be immediately due and payable upon demand by Lender therefor.

Section 10.4 Actions and Proceedings. After the occurrence of an Event of Default, Lender has the right to appear in and defend any action or proceeding brought with respect to the Property and to bring any action or proceeding, in the name and on behalf of SPTBROOK, which Lender, in its discretion, decides should be brought to protect its interest in the Property.

Section 10.5 Recovery of Sums Required To Be Paid. Lender shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the

same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right of Lender thereafter to bring an action of foreclosure, or any other action, for a default or defaults by SPTBROOK existing at the time such earlier action was commenced.

Section 10.6 Examination of Books and Records. Lender, its agents, accountants and attorneys shall have the right upon prior written notice to examine the records, books, management and other papers of SPTBROOK which reflect upon its financial condition, at the Property or at any office regularly maintained by SPTBROOK where the books and records are located. Lender and its agents shall have the right upon notice to make copies and extracts from the foregoing records and other papers. In addition, Lender, its agents, accountants and attorneys shall have the right to examine and audit the books and records of SPTBROOK pertaining to the income, expenses and operation of the Property during reasonable business hours at any office of SPTBROOK where the books and records are located.

Section 10.7 Other Rights, Etc.

(a) The failure of Lender to insist upon strict performance of any term hereof shall not be deemed to be a waiver of any term of this Security Instrument. SPTBROOK shall not be relieved of SPTBROOK's obligations hereunder by reason of (i) the failure of Lender to comply with any request of SPTBROOK to take any action to foreclose this Security Instrument or otherwise enforce any of the provisions hereof or of the Loan Agreement, any other Loan Document or the Other Security Documents, (ii) the release, regardless of consideration, of the whole or any part of the Property, or of any person liable for the Debt or any portion thereof, or (iii) any agreement or stipulation by Lender extending the time of payment or otherwise modifying or supplementing the terms of the Loan Agreement, any other Loan Document, this Security Instrument or the Other Security Documents.

(b) It is agreed that the risk of loss or damage to the Property is on SPTBROOK, and Lender shall have no liability whatsoever for decline in value of the Property, for failure to maintain the insurance required pursuant to this Security Instrument, or for failure to determine whether insurance in force is adequate as to the amount of risks insured. Possession by Lender shall not be deemed an election of judicial relief, if any such possession is requested or obtained, with respect to any Property or collateral not in Lender's possession.

(c) Lender may resort for the payment of the Debt to any other security held by Lender in such order and manner as Lender, in its discretion, may elect. Lender may take action to recover the Debt, or any portion thereof, or to enforce any covenant hereof without prejudice to the right of Lender thereafter to foreclose this Security Instrument. The rights of Lender under this Security Instrument shall be separate, distinct and cumulative and none shall be given effect to the exclusion of the others. No act of Lender shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision. Lender shall be limited exclusively to the rights and remedies herein stated but shall be entitled to every right and remedy now or hereafter afforded at law or in equity.

Section 10.8 Right to Release Any Portion of the Property. Lender, may release any portion of the Property for such consideration as Lender may require without, as to the remainder of the Property, in any way impairing or affecting the lien or priority of this Security Instrument, or improving the position of any subordinate lienholder with respect thereto, except to the extent that the obligations hereunder shall have been reduced by the actual monetary consideration, if any, received by Lender for such release, and may accept by assignment, pledge or otherwise any other property in place thereof as Lender may require without being accountable for so doing to any other lienholder. This Security Instrument shall continue as a lien and security interest in the remaining portion of the Property.

Section 10.9 Violation of Laws. If the Property is not in compliance with Applicable Laws, Lender may impose additional requirements upon SPTBROOK in connection herewith including, without limitation, monetary reserves or financial equivalents.

Section 10.10 Right of Entry. Lender and its agents shall have the right upon prior written notice to enter and inspect the Property at all reasonable times upon not less than five (5) Business Days' notice (except in the case of emergencies when no notice shall be required) to SPTBROOK. SPTBROOK shall exercise its rights under § 24.14 of the Brookdale Lease and under any other Leases to provide such entry to Lender.

Article 11 - ENVIRONMENTAL HAZARDS

Section 11.1 Environmental Covenants. SPTBROOK covenants and agrees that so long as SPTBROOK owns, manages, is in possession of or otherwise controls the operation of the Property: (a) all uses and operations on or of the Property, whether by SPTBROOK, any Tenant (including, without limitation, the Brookdale Tenant) or any other person, shall be in compliance in all material respects with all Environmental Laws (as such term is defined in the Loan Agreement) and permits issued pursuant thereto; (b) there shall be no Releases (as such term is defined in the Loan Agreement) of Hazardous Materials (as such term is defined in the Loan Agreement) in, on, under or from the Property; (c) there shall be no Hazardous Materials in, on, or under the Property, except those that are in material compliance with all Environmental Laws and with permits issued pursuant thereto, if and to the extent required; (d) SPTBROOK shall cause the Property to be kept free and clear of all liens and other encumbrances imposed pursuant to any Environmental Law, whether due to any act or omission of SPTBROOK, any Tenant or any other person (the "Environmental Liens"); (e) SPTBROOK shall, at its sole cost and expense, fully and expeditiously cooperate in all activities pursuant to Section 11.2 hereof, including, but not limited to providing all relevant information and making knowledgeable persons available for interviews; (f) subject to the rights of the Brookdale Master Tenant under the Brookdale Master Lease, SPTBROOK shall, at its or its Tenant's cost and expense, cause to be performed any environmental site assessment or other investigation of environmental conditions in connection with the Property, pursuant to any reasonable request of Lender after Lender has reason to believe this Section 11.1 has been violated (including, but not limited to sampling, testing and analysis of soil, water, air, building materials and other materials and

substances whether solid, liquid or gas), and share with Lender the reports and other results thereof, and Lender and other Indemnified Parties (defined in Section 12.1) shall be entitled to rely on such reports and other results thereof; (g) SPTBROOK shall, at its or its Tenant's cost and expense, and subject to the rights of the Brookdale Master Tenant under the Brookdale Master Lease, comply with all reasonable requests of Lender to (i) reasonably effectuate remediation of any condition (including, but not limited to a Release of a Hazardous Materials) in, on, under or from the Property, (ii) comply with any Environmental Law, (iii) comply with any directive from any governmental authority, and (iv) take any other reasonable action necessary or appropriate for protection of human health or the environment; (h) SPTBROOK shall not do or, subject to the rights of the Brookdale Master Tenant under the Brookdale Master Lease, allow any Tenant or other user of the Property to do any act that materially increases the dangers to human health or the environment, poses an unreasonable risk of harm to any person (whether on or off the Property), materially impairs the value of the Property, is contrary to any requirement of any insurer, constitutes a public or private nuisance, or violates any covenant, condition, agreement or easement applicable to the Property; and (i) SPTBROOK shall promptly notify Lender in writing promptly after it has become aware of (A) any presence or Releases or threatened Releases of Hazardous Substances in, on, under, from or migrating towards the Property which is required to be reported to a governmental authority under any Environmental Law, (B) any actual Environmental Lien affecting the Property, (C) any required remediation of environmental conditions relating to the Property, and (D) any written or oral notice or other communication of which SPTBROOK or any of its agents becomes aware from any source whatsoever (including, but not limited to, a governmental entity) relating in any way to Hazardous Materials or Remediation thereof, possible liability of any person pursuant to any Environmental Law, other environmental conditions in connection with the Property, or any actual or threatened administrative or judicial proceedings in connection with anything referred to in this Article 11.

Section 11.2 Lender's Rights. Subject to the rights of the Brookdale Master Tenant under the Brookdale Master Lease, Lender, its environmental consultant, and any other person designated by Lender, including, but not limited to any receiver and any representative of a governmental entity, shall have the right, but not the obligation, at intervals of not less than one year, or more frequently if the Lender reasonably believes that a Hazardous Material or other environmental condition violates or threatens to violate any Environmental Law, after notice to SPTBROOK and any Tenants, to enter upon the Property at all reasonable times to assess any and all aspects of the environmental condition of the Property and its use, including, but not limited to, conducting any environmental assessment or audit of the Property or portions thereof to confirm SPTBROOK's compliance with the provisions of this Article 11, and SPTBROOK shall cooperate and cause its Tenants to cooperate in all reasonable ways with Lender in connection with any such audit. Any such audit shall be performed in a manner so as to minimize interference with the conduct of business by Tenants at the Property. If any such audit discloses that a violation of or a liability under any Environmental Law exists or if such audit was required or prescribed by law, regulation or governmental or quasi-governmental authority, SPTBROOK shall pay or cause to be paid all costs and expenses incurred in connection with such audit; otherwise, the costs and expenses of such audit shall, notwithstanding anything to the contrary set forth in this Section, be paid by Lender.

Article 12 - INDEMNIFICATION

Section 12.1 General Indemnification. SPTBROOK shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all claims, suits, liabilities (including, without limitation, strict liabilities), actions, proceedings, obligations, debts, damages, losses, costs, expenses, diminutions in value, fines, penalties, charges, fees, expenses, judgments, awards, amounts paid in settlement, or punitive damages, of whatever kind or nature (including, but not limited to, reasonable attorneys' fees and other costs of defense) (the "Losses") imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any one or more of the following (but excluding Losses arising out of Lender's gross negligence or willful misconduct): (a) ownership of this Security Instrument, the Property or any interest therein or receipt of any Rents; (b) any amendment to, or restructuring of, the Debt, the Loan Agreement, any other Loan Document, this Security Instrument or any Other Security Documents; (c) any and all lawful action that may be taken by Lender in connection with the enforcement of the provisions of this Security Instrument or the Loan Agreement, any other Loan Document or any of the Other Security Documents, whether or not suit is filed in connection with same, or in connection with SPTBROOK and/or any member, partner, joint venturer or shareholder thereof becoming a party to a voluntary or involuntary federal or state bankruptcy, insolvency or similar proceeding; (d) any accident, injury to or death of persons or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (e) any use, nonuse or condition in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent property or adjacent parking areas, streets or ways; (f) any failure on the part of SPTBROOK to perform or be in compliance with any of the terms of this Security Instrument or the Other Security Documents; (g) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (h) the failure of any person to file timely with the Internal Revenue Service an accurate Form 1099-B, Statement for Recipients of Proceeds from Real Estate, Broker and Barter Exchange Transactions, which may be required in connection with this Security Instrument, or to supply a copy thereof in a timely fashion to the recipient of the proceeds of the transaction in connection with which this Security Instrument is made; (i) any failure of the Property to be in compliance with any Applicable Laws; (j) the enforcement by any Indemnified Party of the provisions of this Article 12; (k) any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in any Lease; (l) the payment of any commission, charge or brokerage fee to anyone which may be payable in connection with the funding of the Loans; or (m) any misrepresentation made by SPTBROOK in this Security Instrument, the Other Security Documents, the Loan Agreement or any other documents or information provided pursuant to the same. Any amounts payable to Lender by reason of the application of this Section 12.1 shall become immediately due and payable and shall bear interest at the Default Rate from the date loss or damage is sustained by Lender until paid. For purposes of this Article 12, the term "Indemnified Parties" means Lender, any person in whose name the encumbrance created by this

Security Instrument is or will have been recorded, persons who may hold or acquire or will have held a full or partial interest in the Loans as well as the respective directors, officers, shareholders, members, partners, employees, agents, servants, representatives, contractors, subcontractors, affiliates, subsidiaries, participants, successors and assigns of any and all of the foregoing (including, but not limited to any other person who holds or acquires or will have held a participation or other full or partial interest in the Loans or the Property, whether during the term of the Loans and including, but not limited to any successors by merger, consolidation or acquisition of all or a substantial portion of Lender's assets and business).

Section 12.2 Mortgage and/or Intangible Tax. SPTBROOK shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses imposed upon or incurred by or asserted against any Indemnified Parties and directly or indirectly arising out of or in any way relating to any tax on the making and/or recording of this Security Instrument, the Loan Agreement or any of the Other Security Documents or in connection with a transfer of all or a portion of the Property pursuant to a foreclosure, deed in lieu of foreclosure or otherwise.

Section 12.3 Environmental Indemnification. SPTBROOK shall, at its sole cost and expense, protect, defend, indemnify, release and hold harmless the Indemnified Parties from and against any and all Losses and costs of remediation (whether or not performed voluntarily), engineers' fees, environmental consultants' fees, and costs of investigation (including, but not limited to sampling, testing and analysis of soil, water, air, building materials and other materials and substances whether solid, liquid or gas) imposed upon or incurred by or asserted against any Indemnified Parties, and arising out of or in any way relating to any one or more of the following, unless caused by the gross negligence or willful misconduct of any Indemnified Party: (a) any presence of any Hazardous Materials in, on, above or under the Property; (b) any past, present or threatened Release of Hazardous Materials in, on, above, under or from the Property; (c) any activity by SPTBROOK, any person affiliated with SPTBROOK or any Tenant or other user of the Property in connection with any actual, proposed or threatened use, treatment, storage, holding, existence, disposition or other Release, generation, production, manufacturing, processing, refining, control, management, abatement, removal, handling, transfer or transportation to or from the Property of any Hazardous Materials at any time located in, under, on or above the Property; (d) any activity by SPTBROOK, any person affiliated with SPTBROOK or any Tenant or other user of the Property in connection with any actual or proposed Remediation of any Hazardous Materials at any time located in, under, on or above the Property, whether or not such remediation is voluntary or pursuant to court or administrative order, including, but not limited to any removal, remedial or corrective action; (e) any past, present or threatened violations of any Environmental Laws (or permits issued pursuant to any Environmental Law) in connection with the Property or operations thereon, including, but not limited to any failure by SPTBROOK, any person affiliated with SPTBROOK or any Tenant or other user of the Property to comply with any order of any governmental authority in connection with Environmental Laws; (f) the imposition, recording or filing of any Environmental Lien encumbering the Property; (g) any administrative processes or proceedings or judicial proceedings in any way connected with any matter addressed in Article 11 and this Section 12.3;

(h) any past, present or threatened injury to, destruction of or loss of natural resources in any way connected with the Property, including, but not limited to costs to investigate and assess such injury, destruction or loss; (i) any acts of SPTBROOK, any affiliate of SPTBROOK or any Tenant or other user of the Property in arranging for disposal or treatment, or arranging with a transporter for transport for disposal or treatment, of Hazardous Materials owned or possessed by such SPTBROOK, any affiliate of SPTBROOK or any Tenant or other user, at any facility or incineration vessel owned or operated by another person and containing such or similar Hazardous Material; (j) any acts of SPTBROOK, any affiliate of SPTBROOK or any Tenant or other user of the Property, in accepting any Hazardous Materials for transport to disposal or treatment facilities, incineration vessels or sites selected by SPTBROOK or such other users, from which there is a Release, or a threatened Release of any Hazardous Material which causes the incurrance of costs for remediation; (k) any personal injury, wrongful death, or property damage caused by Hazardous Materials arising under any statutory or common law or tort law theory, including, but not limited to, damages assessed for the maintenance of a private or public nuisance or for the conducting of an abnormally dangerous activity on or near the Property; and (l) any intentional misrepresentation in any representation or warranty or material breach or failure to perform any covenants or other obligations pursuant to Article 11.

Section 12.4 Duty to Defend; Attorneys' Fees and Other Fees and Expenses. Upon written request by any Indemnified Party, SPTBROOK shall defend such Indemnified Party (if requested by any Indemnified Party, in the name of the Indemnified Party) by attorneys and other professionals approved by the Indemnified Parties, such approval not to be unreasonably withheld. Notwithstanding the foregoing, any Indemnified Parties may, in their sole and absolute discretion, engage their own attorneys and other professionals to defend or assist them, and, at the option of Indemnified Parties, their attorneys shall control the resolution of claim or proceeding. Upon demand, SPTBROOK shall pay or, in the sole and absolute discretion of the Indemnified Parties, reimburse, the Indemnified Parties for the payment of reasonable fees and disbursements of attorneys, engineers, environmental consultants, laboratories and other professionals in connection therewith.

Article 13 - WAIVERS

Section 13.1 Waiver of Counterclaim. SPTBROOK hereby waives the right to assert a counterclaim, other than a mandatory or compulsory counterclaim, in any action or proceeding brought against it by Lender arising out of or in any way connected with this Security Instrument, the Loan Agreement, any other Loan Document, any of the Other Security Documents, or the Obligations.

Section 13.2 Marshalling and Other Matters. SPTBROOK hereby waives, to the extent permitted by law, the benefit of all appraisal, valuation, stay, extension, reinstatement and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, SPTBROOK hereby expressly waives any and all rights of redemption from sale under any order or decree of

foreclosure of this Security Instrument on behalf of SPTBROOK, and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date of this Security Instrument and on behalf of all persons to the extent permitted by Applicable Law.

Section 13.3 Waiver of Notice. To the extent permitted by Applicable Law, SPTBROOK shall not be entitled to any notices of any nature whatsoever from Lender except with respect to matters for which this Security Instrument or the Loan Agreement specifically and expressly provides for the giving of notice by Lender to SPTBROOK and except with respect to matters for which Lender is required by Applicable Law to give notice, and SPTBROOK hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Security Instrument or the Loan Agreement does not specifically and expressly provide for the giving of notice by Lender to SPTBROOK.

Section 13.4 Waiver of Statute of Limitations. SPTBROOK hereby expressly waives and releases, to the fullest extent permitted by law, the pleading of any statute of limitations as a defense to payment of the Debt or performance of its Other Obligations.

Section 13.5 Sole Discretion of Lender. Wherever pursuant to this Security Instrument (a) Lender exercises any right given to it to approve or disapprove, (b) any arrangement or term is to be satisfactory to Lender, or (c) any other decision or determination is to be made by Lender, the decision of Lender to approve or disapprove all decisions that arrangements or terms are satisfactory or not satisfactory, and all other decisions and determinations made by Lender, shall be in the sole and absolute discretion of Lender and shall be final and conclusive, except as may be otherwise expressly and specifically provided herein.

Section 13.6 Survival. Except as hereinafter specifically set forth below, the representations and warranties, covenants, and other obligations arising under Article 11 and Section 12.3 shall in no way be impaired by: any satisfaction or other termination of this Security Instrument, any assignment or other transfer of all or any portion of this Security Instrument or Lender's interest in the Property (but, in such case, shall benefit both indemnified Parties and any assignee or transferee), any exercise of Lender's rights and remedies pursuant hereto including, but not limited to foreclosure or acceptance of a deed in lieu of foreclosure, any exercise of any rights and remedies pursuant to the Loan Agreement, any other Loan Document or any of the Other Security Documents, any transfer of all or any portion of the Property (whether by SPTBROOK, or by Lender, following foreclosure or acceptance of a deed in lieu of foreclosure or at any other time), any amendment to this Security Instrument, the Loan Agreement, any other Loan Document or the Other Security Documents, and any act or omission that might otherwise be construed as a release or discharge of SPTBROOK from the obligations pursuant hereto.

Section 13.7 Waiver of Trial By Jury. SPTBROOK HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY, AND ANY RIGHT TO CLAIM OR RECOVER ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES OR ANY DAMAGES OTHER THAN, OR IN ADDITION TO, DIRECT DAMAGES, IN ANY ACTION, PROCEEDING OR COUNTERCLAIM,

WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN AGREEMENT, THIS SECURITY INSTRUMENT, ANY OTHER LOAN DOCUMENT OR THE OTHER SECURITY DOCUMENTS OR ANY ACTS OR OMISSIONS OF LENDER, ITS OFFICERS, EMPLOYEES, DIRECTORS OR AGENTS IN CONNECTION THEREWITH.

Article 14 - NOTICES

Section 14.1 Notices. All notices, consents and other communications hereunder to be effective shall be in writing and shall be deemed made (i) if by mail or facsimile, when received, and (ii) if by courier, when receipted for, in each case addressed as follows or at such other address as the respective party may designate by written notice to the other:

If to SPTBROOK:

SPTBROOK Properties Trust
% Senior Housing Properties Trust
400 Centre Street
Newton, Massachusetts 02158
Attention: Messrs. David J. Hegarty and Ajay Saini
Telecopier: (617) 332-2261

with a copy to:

Sullivan & Worcester LLP
One Post Office Square
Boston, Massachusetts 02109
Attention: Alexander A. Notopoulos, Jr.
Telecopier: (617) 338-2880

If to Lender:

Dresdner Bank AG
New York Branch
75 Wall Street
New York, NY 10005
Attention: Andrew P. Nesi, Vice President
Birgit Anderson, Assistant Treasurer
Telecopier: (212) 429-2129

Any failure by Lender to provide a copy of any notice to the second address of SPTBROOK shown above shall not effect the validity of such notice if delivered to the first address of SPTBROOK shown above.

Article 15 - APPLICABLE LAW

Section 15.1 CHOICE OF LAW; CONSENT OF JURISDICTION. THIS SECURITY INSTRUMENT SHALL BE GOVERNED BY, INTERPRETED, CONSTRUED AND ENFORCED PURSUANT TO AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK (INCLUDING, WITHOUT LIMITATION, SECTION 5-1401 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK) (WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES), EXCEPT TO THE EXTENT OF PROCEDURAL MATTERS RELATING TO THE CREATION, PERFECTION AND FORECLOSURE OF LIENS AND SECURITY INTERESTS, WHICH SHALL BE GOVERNED BY THE LAWS OF THE STATE IN WHICH THE LAND IS LOCATED.

Section 15.2 Usury Laws. This Security Instrument and the Loan Agreement are subject to the express condition that at no time shall SPTBROOK be obligated or required to pay interest on the Debt at a rate which could subject the holder of the Loan Agreement to either civil or criminal liability as a result of being in excess of the maximum interest rate which SPTBROOK is permitted by applicable law to contract or agree to pay. If by the terms of this Security Instrument, the Loan Agreement or any other Loan Document, SPTBROOK is at any time required or obligated to pay interest on the Debt at a rate in excess of such maximum rate, the rate of interest under this Security Instrument, the Loan Agreement and any such other Loan Document shall be deemed to be immediately reduced to such maximum rate and the interest payable shall be computed at such maximum rate and all prior interest payments in excess of such maximum rate shall be applied and shall be deemed to have been payments in reduction of the principal balance of the Debt. All sums paid or agreed to be paid to Lender for the use, forbearance or detention of the Debt shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full stated term of the Loan Agreement until payment in full so that the rate or amount of interest on account of the Debt does not exceed the maximum lawful rate of interest from time to time in effect and applicable to the Debt for so long as the Debt is outstanding.

Section 15.3 Provisions Subject to Applicable Law. All rights, powers and remedies provided in this Security Instrument may be exercised only to the extent that the exercise thereof does not violate any applicable provisions of law and are intended to be limited to the extent necessary so that they will not render this Security Instrument invalid, unenforceable or not entitled to be recorded, registered or filed under the provisions of any Applicable Law.

Section 15.4 Inapplicable Provision. If any term of this Security Instrument or any application thereof shall be invalid or unenforceable, the remainder of this Security Instrument and any other application of the term shall not be affected thereby.

Article 16 - COSTS

Section 16.1 Attorney's Fees for Enforcement. SPTBROOK shall pay or cause to be paid on demand all legal fees and expenses incurred by Lender, including reasonable attorneys' fees and expenses, incurred or paid by Lender in protecting its interest in the Property or the Collateral or in collecting any amount payable hereunder or in enforcing its rights hereunder with respect to the Property or the Collateral, whether or not any legal proceeding is commenced hereunder or thereunder and whether or not any default or Event of Default shall have occurred, together with interest thereon at the Default Rate from the date paid or incurred by Lender until such expenses are paid by SPTBROOK.

Article 17 - DEFINITIONS

Section 17.1 General Definitions. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, (i) words used in this Security Instrument may be used interchangeably in singular or plural form, (ii) "SPTBROOK" shall mean SPTBROOK and any subsequent owner or owners of the Property or any part thereof or any interest therein, (iii) "Lender" shall mean Dresdner Bank AG and its successors and assigns as Administrative Agent for itself as Lender and for all other present and future Lenders under the Loan Agreement and holders of the Loans and Notes from time to time under the Loan Agreement, (iv) "person" shall include an individual, corporation, limited liability company, partnership, trust, unincorporated association, government, governmental authority, and any other entity, (v) "Property" shall include any portion of the Property and any interest therein, and (vi) "attorneys' fees" and "counsel fees" shall include any and all attorneys', paralegal and law clerk fees and disbursements, including, but not limited to fees and disbursements at the pre-trial, trial and appellate levels incurred or paid by Lender in protecting its interest in the Property, the Leases and the Rents and enforcing its rights under this Security Instrument. In addition, any reference herein to the Loan Agreement, the Notes, the Other Loan Documents, the other Security Documents or any other document or instrument shall include all exhibits and schedules thereto, any and all modifications, amendments and supplements thereto from time to time and any and all extensions, renewals, restatements and replacements thereof and substitutions therefor.

Section 17.2 Headings, Etc. The headings and captions of various Sections of this Security Instrument are for convenience of reference only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

Article 18 - MISCELLANEOUS PROVISIONS

Section 18.1 No Oral Change. This Security Instrument, and any provisions hereof, may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of SPTBROOK 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.

Section 18.2 Liability. If SPTBROOK consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several. This Security Instrument shall be binding upon and inure to the benefit of SPTBROOK and Lender and their respective successors and assigns forever.

Section 18.3 Duplicate Originals; Counterparts. This Security Instrument may be executed in any number of duplicate originals and each duplicate original shall be deemed to be an original. This Security Instrument may be executed in several counterparts, each of which counterparts shall be deemed an original instrument and all of which together shall constitute a single Security Instrument. The failure of any party hereto to execute this Security Instrument, or any counterpart hereof, shall not relieve the other signatories from their obligations hereunder.

Section 18.4 Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

Section 18.5 Entire Agreement. The Loan Agreement, the other Loan Documents, this Security Instrument and the Other Security Documents constitute the entire understanding and agreement between SPTBROOK and Lender with respect to the transactions arising in connection with the Debt and supersede all prior written or oral understandings and agreements between SPTBROOK and Lender with respect thereto.

Section 18.6 Nonliability of Trustees. THE DECLARATION OF TRUST ESTABLISHING SPTBROOK, A COPY OF WHICH, TOGETHER WITH ALL AMENDMENTS THERETO IS DULY FILED WITH THE DEPARTMENT OF ASSESSMENTS AND TAXATION OF THE STATE OF MARYLAND, PROVIDES THAT THE NAME OF "SPTBROOK PROPERTIES TRUST" REFERS TO THE TRUSTEES UNDER THE DECLARATION OF TRUST AS TRUSTEES, BUT NOT INDIVIDUALLY OR PERSONALLY, AND THAT NO TRUSTEE, OFFICER, SHAREHOLDER, EMPLOYEE OR AGENT OF SPTBROOK SHALL BE HELD TO ANY PERSONAL LIABILITY, JOINTLY OR SEVERALLY, FOR ANY OBLIGATION OF, OR CLAIM AGAINST, SPTBROOK.

Article 19 - LOCAL LAW PROVISIONS

Section 19.1 Local Law Provisions. The provisions set forth on Exhibit B annexed hereto are incorporated herein by reference as if fully set forth herein.

UNOFFICIAL COPY

IN WITNESS WHEREOF, THIS SECURITY INSTRUMENT has been executed by SPTBROOK as of the date first above written.

SPTBROOK:

SPTBROOK PROPERTIES TRUST, a Maryland
real estate investment trust

By: David J. Hegarty
Name: David J. Hegarty
Title: President

Property of Cook County Clerk's Office

UNOFFICIAL COPY

COMMONWEALTH OF MASSACHUSETTS)

COUNTY OF MIDDLESEX Suffolk) SS:

I, Kathleen Pratt, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that David Hegarty, the President of SPTBROOK PROPERTIES TRUST is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such _____, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said entity, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 14th day of September, 1999.

Kathleen Pratt

Notary Public

My Commission expires: 2/14/02



Property of Cook County Clerk's Office

EXHIBIT A

CHICAGO, ILLINOIS

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 57 FEET OF LOT 1 IN THE 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, 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

(Continued)

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 BOUNDRY 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 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 BOUNDRY LINE OF LINCOLN PARK AND RUNNING THENCE NORTH ALONG SAID WEST BOUNDRY 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 BOUNDRY 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 BOUNDRY LINE IS INTERSECTED BY THE NORTH LINE OF OAKDALE AVENUE; THENCE NORTH ALONG SAID BOUNDRY LINE 55 FEET; THENCE WEST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID OAKDALE AVENUE 180 FEET; THENCE SOUTH PARALLEL WITH THE BOUNDRY 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.

EXHIBIT B

(Local Law Provisions)

1. Section 1.1 Property Mortgaged. The following phrase in the first sentence of Section 1.1 "does hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer and convey" is hereby replaced with the following: "DOES HEREBY IRREVOCABLY MORTGAGE AND CONVEY"

2. Recital B. The following words are inserted at the end of the first sentence of Recital B immediately before the period:

with a maturity date of such indebtedness of September __, 2002

3. Subrogation. If any part of the indebtedness secured hereby is used directly or indirectly to satisfy, in whole or in part, any prior encumbrance upon the Property or any part thereof, then Lender shall be subrogated to the rights of the holder thereof in and to such other encumbrance and any additional security held by such holder, and shall have the benefit of the priority of the same.

4. Future Advances. At all times, regardless of whether any loan proceeds have been disbursed, this Security Instrument secures as part of the indebtedness the payment of all loan commissions, service charges, liquidated damages, attorneys' fees, expenses and advances due to or incurred by Lender in connection with the Obligations, all in accordance with the Notes, this Security Instrument and the Loan Agreement, provided, however, that in no event shall the total amount of the indebtedness secured hereby, including loan proceeds disbursed plus any additional charges, exceed two hundred percent (200%) of the face of the Notes. SPTBROOK acknowledges that Lender has bound itself to make advances pursuant to the Loan Agreement and that all such future advances shall be a lien from the time this Security Instrument is recorded, as provided in the Illinois Mortgage Foreclosure Act, 735 ILCS 5/15-1101 (1992), et seq., as amended.

5. Business Loan. The proceeds of the Notes will be used for the purposes specified in 815 ILCS 205/4 (1992), and the principal obligation secured hereby will each constitute a "business loan" coming within the definition and purview of said section.

6. Provisions of the Loan Agreement related to advances, repayment and readvances are incorporated herein by this reference.

7. Reduction of the indebtedness to a zero balance shall not cause the mortgage to become extinguished by operation of law.