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**FEE AND LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,
SECURITY AGREEMENT AND FIXTURE FILING
(ALABAMA – SHELBY COUNTY)**

**WOODSPRING SUITES BIRMINGHAM SOUTH LLC, F/K/A VALUE PLACE
PELHAM LLC and BSREP II WS HOTEL TRS SUB LLC, collectively, as mortgagor**

to

**CITI REAL ESTATE FUNDING INC. and GOLDMAN SACHS MORTGAGE
COMPANY,**

collectively, as mortgagee

Dated: February 1, 2018

Location: 101 Bishop Circle
Pelham, Alabama 35124

PREPARED BY AND UPON
RECORDATION RETURN TO:

Dechert LLP
Cira Centre
2929 Arch Street
Philadelphia, PA 19104-2808
Attention: David W. Forti, Esq.

This **FEE AND LEASEHOLD MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING** (this “**Security Instrument**”) is made as of this 1st day of February, 2018, by **WOODSPRING SUITES BIRMINGHAM SOUTH LLC, F/K/A VALUE PLACE PELHAM LLC**, a Kansas limited liability company (together with its permitted successors and assigns, collectively, “**Borrower**”), and **BSREP II WS HOTEL TRS SUB LLC**, a Delaware limited liability company (together with its permitted successors and assigns, “**Operator**”; together with Borrower, collectively, “**Mortgagor**”) each having its principal place of business at c/o Brookfield Property Group, Brookfield Place, 250 Vesey Street, New York, New York 10281-1023, collectively, as mortgagor, to **CITI REAL ESTATE FUNDING INC.**, having an address at 388-390 Greenwich Street, New York, New York 10013, and **GOLDMAN SACHS MORTGAGE COMPANY**, having an address at 200 West Street, New York, New York 10282, collectively, as mortgagee (collectively, together with their respective successors and/or assigns, “**Lender**”). All capitalized terms not defined herein shall have the respective meanings set forth in the Loan Agreement (defined below).

RECITALS:

This Security Instrument is given to Lender to secure a certain loan (the “**Loan**”) in the aggregate principal sum of Four Hundred Five Million and No/100 Dollars (\$405,000,000) or so much thereof as may be advanced pursuant to a certain Mortgage Loan Agreement dated of even date herewith among Mortgagor, the other entities which are signatories thereto as borrowers (collectively, “**Other Borrowers**”), Lender and the other parties named therein (as the same may be amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Loan Agreement**”) which such Loan is evidenced by, among other things, those certain promissory notes executed in connection with the Loan Agreement (together with all extensions, renewals, replacements, restatements or other modifications thereof, whether one or more being hereinafter collectively referred to as the “**Note**”).

Operator is an Affiliate of Borrower and operates a hotel located on the Land and Improvements (as each term is defined below) under and pursuant to the Pledged Lease (as defined below), and Operator will directly benefit from the making of the Loan by Lender to Borrower. Furthermore, pursuant to the terms of the Pledged Lease, Operator has agreed to grant Lender the security interests described herein.

Borrower desires to secure the payment of the outstanding principal amount of the Loan together with all interest accrued and unpaid thereon and all other sums due to Lender in respect of the Loan under the Note, the Loan Agreement, this Security Instrument or any of the other Loan Documents (defined below), including, without limitation, all costs and expenses payable to Lender thereunder (collectively, the “**Debt**”) and the performance of all of Borrower’s obligations due under the Note, the Loan Agreement and the other Loan Documents, and Operator desires to secure the payment of the Debt by Borrower as its Affiliate.

This Security Instrument is given pursuant to the Loan Agreement, and payment, fulfillment, and performance by Mortgagor of its obligations thereunder and under the other Loan Documents are secured hereby in accordance with the terms hereof, and each and every term and provision of the Loan Agreement and the Note, including the rights, remedies, obligations, covenants, conditions, agreements, indemnities, representations and warranties of the parties

therein, are hereby incorporated by reference herein as though set forth in full and shall be considered a part of this Security Instrument. The Loan Agreement, the Note, this Security Instrument, and all other documents evidencing or securing the Debt (including all additional mortgages, deeds to secure debt and assignments of leases and rents (if any)) executed or delivered in connection therewith, are hereinafter referred to collectively as the “**Loan Documents**.”

Article 1 - Grants of Security

Section 1.1. PROPERTY MORTGAGED. Borrower and Operator have granted, bargained, sold and conveyed, and do hereby irrevocably mortgage, grant, bargain, sell, pledge, assign, warrant, transfer, convey and grant a security interest to Lender and their respective successors and assigns in and to the following property, rights, interests and estates now owned, or hereafter acquired by Borrower and/or Operator, as the case may be (it being understood that all property of tenants under any Lease is excluded from the scope of this Security Instrument except and until owned or acquired by Borrower and/or Operator in accordance with the terms of any such Lease) (collectively, the “**Property**”):

(a) Land. The real property described in Exhibit A attached hereto and made a part hereof (collectively, the “**Land**”);

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

(c) Pledged Lease. That certain lease described on Schedule I hereto (as amended, modified and in effect from time to time, the “**Pledged Lease**”) and the leasehold estate created thereby in, inter alia, the Land and Improvements, together with all appurtenances thereto and any and all (i) extensions, renewals, modifications and option rights under the Pledged Lease, (ii) credits to and deposits of Operator under the Pledged Lease and all other options, privileges and rights granted and demised to Operator under the Pledged Lease, (iii) rights or privileges of Operator to terminate, cancel, surrender or merge the Pledged Lease, and (iv) rights of Operator in connection with any rejection by the lessor or its bankruptcy trustee of the Pledged Lease under Section 365 of the Bankruptcy Code (as defined below) to (A) possession of any statutory term of years derived from or incident to the operation of Section 365(h)(1) of the Bankruptcy Code or (B) elect under Section 365(h)(1) to terminate or treat the Pledged Lease as terminated;

(d) [Intentionally Omitted];

(e) Improvements. The buildings, structures, fixtures, additions, enlargements, extensions, modifications, repairs, replacements and improvements now or hereafter erected or located on the Land (collectively, the “**Improvements**”);

(f) Easements and Unused Zoning Rights. 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, excess or unused zoning floor area development rights, abatements, zoning floor area bonuses, zoning incentives or awards, and all

estates, rights, titles, interests, privileges, liberties, servitudes, tenements, hereditaments and appurtenances of any nature whatsoever, in any way now or hereafter belonging, appurtenant to, relating or pertaining to the Land and the Improvements or otherwise owned by or available to Mortgagor and the reversions 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, rights of dower, rights of curtesy, property, possession, claim and demand whatsoever, both at law and in equity, of Borrower or Operator of, in and to the Land and the Improvements and every part and parcel thereof, with the appurtenances thereto;

(g) Equipment, Fixtures and Personal Property. All machinery, equipment, fixtures (including, but not limited to, all heating, air conditioning, plumbing, lighting, communications, elevator fixtures, inventory and goods), inventory and articles of personal property and accessions thereof and renewals, replacements thereof and substitutions therefor (including, but not limited to, beds, bureaus, chiffonniers, chests, chairs, desks, lamps, mirrors, bookcases, tables, rugs, carpeting, drapes, draperies, curtains, shades, venetian blinds, screens, paintings, hangings, pictures, divans, couches, luggage carts, luggage racks, stools, sofas, chinaware, linens, pillows, blankets, glassware, silverware, foodcarts, cookware, dry cleaning facilities, dining room wagons, keys or other entry systems, bars, bar fixtures, liquor and other drink dispensers, icemakers, radios, television sets, intercom and paging equipment, electric and electronic equipment, dictating equipment, private telephone systems, medical equipment, potted plants, heating, lighting and plumbing fixtures, fire prevention and extinguishing apparatus, cooling and air-conditioning systems, elevators, escalators, fittings, plants, apparatus, stoves, ranges, refrigerators, laundry machines, tools, machinery, engines, dynamos, motors, boilers, incinerators, switchboards, conduits, compressors, vacuum cleaning systems, floor cleaning, waxing and polishing equipment, call systems, brackets, electrical signs, bulbs, bells, ash and fuel, conveyors, cabinets, lockers, shelving, spotlighting equipment, dishwashers, garbage disposals, washers and dryers), other customary hotel equipment and other tangible property of every kind and nature whatsoever owned by Borrower or Operator, or in which Borrower or Operator has or shall have an interest, now or hereafter located upon the Land and the Improvements, or appurtenant thereto, or usable 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 Borrower or Operator, or in which Borrower and/or Operator has or shall have an interest, now or hereafter located upon the Land and the Improvements, or appurtenant thereto, or usable in connection with the present or future operation and occupancy of the Land and the Improvements (those portions of the foregoing constituting equipment under applicable Legal Requirements, the “**Equipment**”, those portions of the foregoing constituting personal property under applicable Legal Requirements, the “**Personal Property**”, those portions of the foregoing constituting fixtures under applicable Legal Requirements, the “**Fixtures**” and all of the foregoing, collectively, the “**Equipment, Fixtures and Personal Property**”), including the right, title and interest of Borrower and/or Operator in and to any of the foregoing 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**”), superior to the lien of this Security Instrument, and all proceeds and products of the above;

(h) Leases and Rents. Subject to the rights of Borrower or Operator hereunder and under the Loan Agreement, all of Borrower’s or Operator’s rights, title and interests in, to and under all leases, subleases, subsubleases, lettings, licenses, rental agreements, registration cards

and agreements, concessions or other agreements (whether written or oral) pursuant to which any Person is granted a possessory interest in, or right to use and/or occupy the Property (or any portion thereof), and every modification, amendment or other agreement relating to such leases, subleases, subsubleases, or other agreements entered into in connection with such leases, subleases, subsubleases, or other agreements and lease guaranties, letters of credit and any other credit support given by any guarantor in connection with any of the leases or leasing commission Borrower or Operator, every guarantee of the performance and observance of the covenants, conditions and agreements to be performed and observed by the other party thereto, heretofore or hereafter entered into, whether before or after the filing by or against Borrower or Operator of any petition for relief under 11 U.S.C. §101 et seq., as the same may be amended from time to time and any other similar law (the “**Bankruptcy Code**”) or any Creditors Rights Laws, including, without limitation, the Pledged Lease, together with all credits, deposits, options, privileges, right, title and interest of Borrower and/or Operator and their respective successors and assigns under any of the aforesaid agreements (collectively, the “**Leases**”) and all right, title and interest of Borrower or Operator, or their respective successors and assigns therein and thereunder, including, without limitation, cash or securities deposited thereunder to secure the performance by the lessees of their obligations thereunder and all rents, additional rents, rent equivalents, moneys payable as damages or in lieu of rent or rent equivalents, royalties (including, without limitation, all oil and gas or other mineral royalties and bonuses), income, receivables, receipts, revenues, deposits (including, without limitation, security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and any and all payment registration fees and other consideration of whatever form or nature received by or paid to or for the account of or benefit of Borrower or Operator or their respective agents or employees from any and all sources arising from or attributable to the Property (or any portion thereof), including, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, subsublease, license, concession or other grant of the right of the use and/or occupancy of the Property (or any portion thereof) and/or rendering of services by Borrower, Operator or Manager and proceeds, if any, from business interruption or other loss of income insurance whether paid or accruing before or after the filing by or against Borrower or Operator of any petition for relief under the Bankruptcy Code or any Creditors Rights Laws, including, without limitation, all hotel receipts, revenues and credit card receipts collected from guest rooms, restaurants, bars, mini-bars, meeting rooms, banquet rooms and recreational facilities and otherwise, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising from or created out of the sale, lease, sublease, subsublease, license, concession or other grant of the right of possession, the use and/or occupancy of the Property (or any portion thereof) and/or rendering of services by Borrower, Operator or any operator or manager of the hotel or the commercial space located in the Improvements or acquired from others (including, without limitation, from the rental of any office space, retail space, guest rooms or other space, halls, stores, and offices, and deposits securing reservations of such space), license, lease, sublease, subsublease and concession fees and rentals, health club membership fees, food and beverage wholesale and retail sales, service charges, vending machine sales (collectively, the “**Rents**”) and all proceeds from the sale or other disposition of the Leases and the right to receive and apply the Rents to the payment of the Debt. This assignment of present and future Leases shall be effective without further or supplemental assignment;

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(i) Bankruptcy Claims. To the extent assignable and permitted by law, all of Borrower's and Operator's claims and rights (the "**Bankruptcy Claims**") to the payment of damages arising from any rejection by a lessee of any Lease under the Bankruptcy Code;

(j) Lease Guaranties. To the extent assignable and permitted by law, all of Borrower's and Operator's right, title and interest in and claims under any and all lease guaranties, letters of credit and any other credit support (individually, a "**Lease Guaranty**," and collectively, the "**Lease Guaranties**") given by any guarantor in connection with any of the Leases or leasing commissions (individually, a "**Lease Guarantor**," and collectively, the "**Lease Guarantors**") to Borrower or Operator;

(k) Proceeds. To the extent assignable and permitted by law, all proceeds from the sale or other disposition of the Leases, the Rents, the Lease Guaranties and the Bankruptcy Claims;

(l) Lessor's Rights. All rights, powers, privileges, options and other benefits of Borrower and/or Operator under the Leases and/or under any and all Lease Guaranties (to the extent assignable), including without limitation (i) the immediate and continuing right to make claim for, receive and collect all Rents payable or receivable under the Leases and all sums payable under any and all Lease Guaranties or pursuant thereto (and to apply the same to the payment of the Debt or the Other Obligations (as herein defined)) and (ii) any and all rights available to Borrower and/or Operator as the holder of a landlord's lien or similar lien on the property and/or assets of the tenant or lessee, and to do all other things which Borrower, Operator or any lessor is or may become entitled to do under the Leases or any and all Lease Guaranties;

(m) Power of Attorney. Upon or at any time after the occurrence and during the continuance of an Event of Default, Mortgagor's irrevocable power of attorney, coupled with an interest, to take any and all of the actions set forth in Section 8.1(h) of this Security Instrument and any or all other actions designated by Lender for the proper management and preservation of the Property and authorized by the terms of this Security Instrument;

(n) Insurance Proceeds. All insurance proceeds in respect of the Property under 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 (collectively, the "**Insurance Proceeds**"), in each case subject to the provisions of the Loan Agreement regarding the application of Insurance Proceeds;

(o) Condemnation Awards. All condemnation awards, including interest thereon, which may heretofore and hereafter be made with respect to the Property by reason of any taking or condemnation, 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 (collectively, the "**Awards**"), in each case subject to the provisions of the Loan Agreement regarding the application of Awards;



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(p) Tax Certiorari. All refunds, rebates or credits in connection with any reduction in Taxes and Other Charges charged against the Property as a result of tax certiorari proceedings or any other applications or proceedings for reduction;

(q) Rights. Subject to the terms of the Loan Agreement, the right, in the name and on behalf of Mortgagor, to appear in and defend any action or proceeding brought with respect to the Property and to commence any action or proceeding to protect the interest of Lender in the Property;

(r) Agreements. Subject to the rights of Mortgagor hereunder and under the other Loan Documents, all agreements, contracts, certificates, instruments, franchises, permits, licenses, plans, specifications and other documents, including, without limitation, any parking agreements, 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 any business or activity conducted on the Land and any part thereof and all right, title and interest of Mortgagor therein and thereunder, including, without limitation, the right, upon the occurrence and during the continuance of any Event of Default, to receive and collect any sums payable to Borrower or Operator thereunder;

(s) Intangibles. All tradenames, trademarks, servicemarks, logos, copyrights, goodwill, books and records and all other general intangibles relating to or used in connection with the operation of the Property;

(t) Accounts. All (I) reserves, escrows and deposit accounts maintained by or on behalf of Mortgagor with respect to the Property, including, without limitation, the Accounts (as such term is defined in the Loan Agreement), and any and all reserve accounts maintained in connection with the Franchise Agreement and/or the Equipment, Fixtures and Personal Property; together with all deposits or wire transfers made to such accounts and all cash, checks, drafts, certificates, securities, investment property, financial assets, instruments and other property held therein from time to time and all proceeds, products, distributions or dividends or substitutions thereon and thereof and (II) right, title and interest of Mortgagor arising from the operation of the Land and the Improvements in and to all payments for goods or property sold or leased or for services rendered, whether or not yet earned by performance, and not evidenced by an instrument or chattel paper (hereinafter referred to as "**Accounts Receivable**") including, without limitation, (A) all accounts, contract rights, book debts, and notes arising from the operation of a hotel on the Land and the Improvements or arising from the sale, lease or exchange of goods or other property and/or the performance of services, (B) Mortgagor's rights to payment from any consumer credit/charge card organization or entities which sponsor and administer such cards as the American Express Card, the Visa Card and the Mastercard, (C) Mortgagor's rights in, to and under all purchase orders for goods, services or other property, (D) Mortgagor's rights to any goods, services or other property represented by any of the foregoing, (E) monies due to or to become due to Mortgagor under all contracts for the sale, lease or exchange of goods or other property and/or the performance of services including the right to payment of any interest or finance charges in respect thereto (whether or not yet earned by performance on the part of Mortgagor) and (F) all collateral security and guaranties of any kind given by any person or entity with respect to any of the foregoing. Accounts Receivable shall include those now existing or hereafter created, substitutions therefor, proceeds (whether cash or non-cash, movable or immovable, tangible or

intangible) received upon the sale, exchange, transfer, collection or other disposition or substitution thereof and any and all of the foregoing and proceeds therefrom (collectively, the “Accounts”);

(u) Interest Rate Cap Agreement. The Interest Rate Cap Agreement, including, but not limited to, all “accounts”, “chattel paper”, “general intangibles” and “investment property” (as such terms are defined in the Uniform Commercial Code) constituting or relating to the foregoing; and all products and proceeds of any of the foregoing;

(v) Letters of Credit. All letter of credit rights (whether or not the letter of credit is evidenced by a writing) Borrower or Operator now has or hereafter acquires in relation to the Property;

(w) Proceeds. All proceeds of any of the foregoing items set forth in subsections (a) through (v) including, without limitation, Insurance Proceeds and Awards, whether cash, liquidation claims (or other claims) or otherwise; and

(x) Other Rights. Any and all other rights of Mortgagor in and to the items set forth in subsections (a) through (w) above.

AND without limiting any of the other provisions of this Security Instrument, to the extent permitted by applicable law, each of Borrower and Operator expressly grants in favor of Lender, as secured party, a security interest in the portion of the Property owned by Borrower or Operator, as applicable, which is or may be subject to the provisions of the Uniform Commercial Code which are applicable to secured transactions; it being understood and agreed that the Improvements and fixtures are part and parcel of the Land (the Land, the Improvements and the fixtures collectively referred to as the “**Real Property**”) appropriated to the use thereof and, whether affixed or annexed to the Real Property or not, shall for the purposes of this Security Instrument be deemed conclusively to be real estate and subject to this Security Instrument.

This Section 1.1 is intended to grant in favor of Lender a first priority continuing lien and security interest in all of the Property. Mortgagor authorizes Lender and its counsel to file UCC financing statements in form and substance satisfactory to Lender, describing the collateral as all assets of Mortgagor, all Property of Mortgagor or using words with similar effect.

Section 1.2. ASSIGNMENT OF LEASES AND RENTS. Mortgagor hereby absolutely and unconditionally assigns to Lender for the ratable benefit of the Lender all of Mortgagor’s right, title and interest in and to all current and future Leases and Rents; it being intended by Mortgagor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Nevertheless, subject to the terms of the Loan Agreement, the other Loan Documents and Section 8.1(h) of this Security Instrument, Lender grants to Mortgagor a license (revocable in accordance with the terms hereof) to collect, receive, use and enjoy the Rents.

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 Mortgagor in the Property. By executing and delivering this Security Instrument, Mortgagor hereby grants to Lender, as security for the Obligations

(hereinafter defined), a security interest in the Personal Property to the full extent that the Personal Property may be subject to the Uniform Commercial Code.

Section 1.4. FIXTURE FILING. Certain of the Property is or will become “fixtures” (as that term is defined in the Uniform Commercial Code) on the Land, and this Security Instrument, upon being filed for record in the real estate records of the city or county wherein such fixtures are situated, shall operate also as a financing statement filed as a fixture filing in accordance with the applicable provisions of said Uniform Commercial Code upon such of the Property that is or may become fixtures.

Section 1.5. CONDITIONS TO GRANT. TO HAVE AND TO HOLD the above granted and described Property unto Lender and to the use and benefit of Lender and its permitted successors and assigns, forever; PROVIDED, HOWEVER, these presents are upon the express condition that, if Lender shall be well and truly paid the Debt at the time and in the manner provided in the Note, the Loan Agreement and this Security Instrument (including performance of any of the Other Obligations required in connection with the repayment of the Debt pursuant to the Note, the Loan Agreement and the other Loan Documents), these presents and the estate hereby granted shall automatically cease, terminate and be void.

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 Debt.

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 performance of the following (collectively, the “**Other Obligations**”): (a) all other obligations of Mortgagor contained herein; (b) each obligation of Mortgagor and the Other Borrowers contained in the Loan Agreement and any other Loan Document; and (c) each obligation of Mortgagor and the Other Borrowers contained in any renewal, extension, amendment, modification, consolidation, change of, or substitution or replacement for, all or any part of the Note, the Loan Agreement or any other Loan Document.

Section 2.3. DEBT AND OTHER OBLIGATIONS. Borrower’s and the Other Borrowers’ obligations for the payment of the Debt and the performance by each of Borrower, the Operator and the Other Borrowers of the Other Obligations shall be referred to collectively herein as the “**Obligations.**”

Section 2.4. PAYMENT OF DEBT. Borrower will pay the Debt at the time and in the manner provided in the Loan Agreement, the Note and this Security Instrument.

Section 2.5. INCORPORATION BY REFERENCE. All the covenants, conditions and agreements contained in (a) the Loan Agreement, (b) the Note and (c) all and any of the other Loan Documents executed by Borrower or Guarantor, are hereby made a part of this Security Instrument to the same extent and with the same force as if fully set forth herein.

Article 3 - Property Covenants

Mortgagor covenants and agrees that:

Section 3.1. INSURANCE. Borrower shall obtain and maintain, or cause to be obtained and maintained, in full force and effect at all times insurance with respect to Borrower, Operator and the Property as required pursuant to the Loan Agreement.

Section 3.2. TAXES AND OTHER CHARGES. Mortgagor shall pay all real estate and personal property taxes, assessments, water rates or sewer rents (collectively "**Taxes**"), ground rents, maintenance charges, impositions (other than Taxes), and any other charges, including, without limitation, vault charges and license fees for the use of vaults, chutes and similar areas adjoining the Property (collectively, "**Other Charges**"), now or hereafter levied or assessed or imposed against the Property or any part thereof in accordance with the Loan Agreement.

Section 3.3. LEASES. Mortgagor shall not (and shall not permit any other applicable Person to) enter in any Leases for all or any portion of the Property unless in accordance with the provisions of the Loan Agreement.

Section 3.4. WARRANTY OF TITLE. Borrower represents and warrants that (i) Borrower has good, indefeasible and insurable title to the Property, (ii) Borrower possesses an unencumbered fee simple absolute estate in the Land and the Improvements free and clear of all Liens except for the Permitted Encumbrances, such other liens as are permitted pursuant to the Loan Documents and the liens created by the Loan Documents and (iii) this Security Instrument, when properly recorded in the appropriate records, together with any Uniform Commercial Code financing statements required to be filed in connection therewith, will create (a) a valid, perfected first priority lien on the Property, to the extent a security interest can be granted in the Property under the Uniform Commercial Code in the state in which the Land is located (as such code now or hereafter exists), subject only to Permitted Encumbrances and the liens created by the Loan Documents and (b) perfected security interests in and to, and perfected collateral assignments of, all personalty (including the Leases), all in accordance with the terms thereof, in each case subject only to any applicable Permitted Encumbrances, such other liens as are permitted pursuant to the Loan Documents and the liens created by the Loan Documents. Operator represents and warrants that (i) Operator has good, marketable and insurable leasehold title to the real property comprising part of the Property and (ii) Operator has good title to or a leasehold interest in the balance of the Property, in each case, free and clear of all Liens except for the Permitted Encumbrances, such other liens as are permitted pursuant to the Loan Documents and the liens created by the Loan Documents. For so long as the Debt is outstanding, Mortgagor shall (i) warrant, defend and preserve the title and the validity and priority of the lien of this Security Instrument and (ii) warrant and defend the same to Lender against the claims of all Persons whomsoever, subject only to Permitted Encumbrances.

Section 3.5. LETTER OF CREDIT RIGHTS. If Mortgagor is at any time a beneficiary under a letter of credit relating to the properties, rights, titles and interests referenced in Section 1.1 of this Security Instrument now or hereafter issued in favor of Mortgagor, Mortgagor shall promptly notify Lender thereof and, at the request and option of Lender, Mortgagor shall, use commercially reasonable efforts to either (i) arrange for the issuer and any confirmer of such letter of credit to consent to an assignment to Lender of the proceeds of any drawing under the letter of credit or (ii) arrange for Lender to become the transferee beneficiary of the letter of credit, with Lender

agreeing, in each case that the proceeds of any drawing under the letter of credit are to be applied as provided in Section 8.2 of this Security Instrument pursuant to an agreement in form and substance reasonably satisfactory to Lender.

Article 4 - Further Assurances

Section 4.1. COMPLIANCE WITH LOAN AGREEMENT. Each of Borrower and Operator shall comply with all covenants set forth in the Loan Agreement relating to acts or other further assurances to be made on the part of Borrower or Operator, as applicable, in order to protect and perfect the lien or security interest hereof upon, and in the interest of Lender in, the Property.

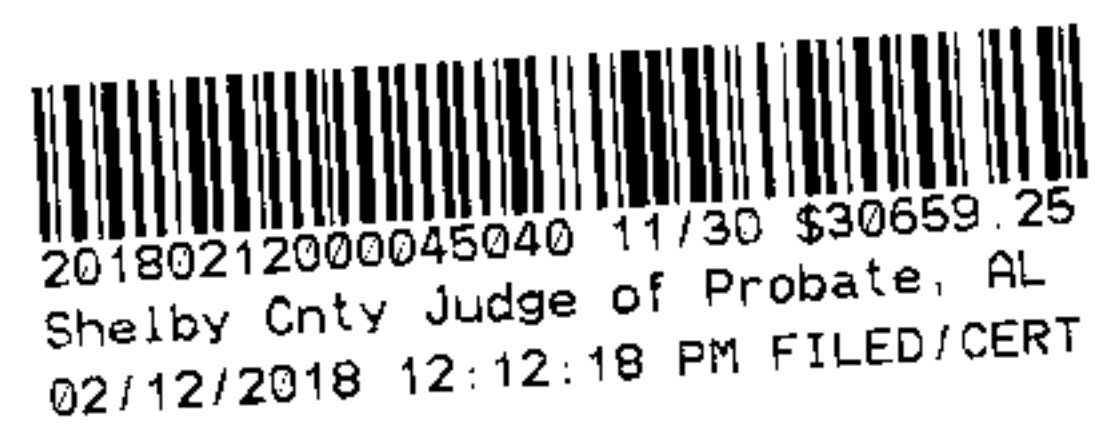
Section 4.2. AUTHORIZATION TO FILE FINANCING STATEMENTS; POWER OF ATTORNEY. Mortgagor hereby authorizes Lender at any time and from time to time to file any initial financing statements, amendments thereto and continuation statements as authorized by applicable law, as applicable to all or part of the Personal Property and as necessary or required in connection herewith. For purposes of such filings, Mortgagor agrees to furnish any information reasonably requested by Lender promptly upon request by Lender. During the continuance of an Event of Default, Mortgagor hereby irrevocably constitutes and appoints Lender and any officer or agent of Lender, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Mortgagor or in Mortgagor's own name to execute in Mortgagor's name any such documents and otherwise to carry out the purposes of this Section 4.2, to the extent that Mortgagor's authorization above is not sufficient and Mortgagor fails or refuses to promptly execute such documents. To the extent permitted by law, Mortgagor hereby ratifies all acts said attorneys-in-fact have lawfully done in the past or shall lawfully do or cause to be done in the future by virtue hereof. This power of attorney is a power coupled with an interest and shall be irrevocable.

Article 5 - Due On Sale/Encumbrance

Section 5.1. NO SALE/ENCUMBRANCE. Except in accordance with the express terms and conditions contained in the Loan Agreement, Mortgagor shall not cause or permit a sale, conveyance, mortgage, grant, bargain, encumbrance, pledge, assignment, or grant of any options with respect to, or any other transfer or disposition (directly or indirectly, voluntarily or involuntarily, by operation of law or otherwise, and whether or not for consideration or of record) of a direct or indirect legal or beneficial interest in the Property or any part thereof, Mortgagor, any constituent owner or other holder of a direct or indirect equity interest in Mortgagor, any indemnitor or other guarantor of the Loan, any constituent owner or other holder of a direct or indirect equity interest in such indemnitor or guarantor, any manager or operating lessee of the Property that is affiliated with Mortgagor or any constituent owner or other holder of a direct or indirect equity interest in such manager or such operating lessee.

Article 6 - Prepayment; Release of Property

Section 6.1. PREPAYMENT. The Debt may not be prepaid in whole or in part except in strict accordance with the express terms and conditions of the Note and the Loan Agreement.



Section 6.2. RELEASE OF PROPERTY. Mortgagor shall not be entitled to a release of any portion of the Property from the lien of this Security Instrument except in accordance with terms and conditions of the Loan Agreement.

Article 7 - Default

Section 7.1. EVENT OF DEFAULT. The term “**Event of Default**” as used in this Security Instrument shall have the meaning assigned to such term in the Loan Agreement.

Article 8 - Rights And Remedies Upon Default

Section 8.1. REMEDIES. Upon the occurrence and during the continuance of any Event of Default, Mortgagor agrees that, to the fullest extent permitted by applicable law, Lender may take such action, without notice or demand (unless expressly required pursuant to the terms of the Loan Agreement), as it deems advisable to protect and enforce Lender’s rights against Mortgagor 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:

- (a) declare the entire unpaid Debt to be immediately due and payable;
- (b) 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;
- (c) 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;
- (d) sell for cash or upon credit the Property or any part thereof and all estate, claim, demand, right, title and interest of Mortgagor 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;
- (e) institute an action, suit or proceeding in equity for the specific performance of any covenant, condition or agreement contained herein, in the Note, in the Loan Agreement or in the other Loan Documents;
- (f) recover judgment on the Note either before, during or after any proceedings for the enforcement of this Security Instrument or the other Loan Documents, to the extent permitted and pursuant to the procedures provided by applicable law;

(g) seek and obtain 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 Mortgagor, any guarantor or indemnitor under the Loan or any other Person liable for the payment of the Debt, to the extent permitted and pursuant to the procedures provided by applicable law;

(h) the license granted to Mortgagor under Section 1.2 hereof shall automatically be revoked and, to the extent permitted by applicable law, Lender may enter into or upon the Property, either personally or by its agents, nominees or attorneys and dispossess Mortgagor and its agents and servants therefrom, without liability for trespass, damages or otherwise (except for damages caused directly by the gross negligence, willful misconduct or illegal acts of Lender) and exclude Mortgagor and its agents or servants wholly therefrom, and take possession of all books, records and accounts relating thereto and Mortgagor agrees to surrender possession of the Property and of such books, records and accounts to Lender upon demand, and thereupon Lender may (i) use, operate, manage, control, insure, maintain, repair, restore and otherwise deal with all and every part of the Property and conduct the business thereat; (ii) complete any construction on the Property in such manner and form as Lender reasonably deems advisable; (iii) make alterations, additions, renewals, replacements and improvements to or on the Property in its reasonable discretion; (iv) exercise all rights and powers of Mortgagor with respect to the Property, whether in the name of Mortgagor or otherwise, including, without limitation, the right to make, cancel, enforce or modify Leases (except as set forth in any subordination, non-disturbance and attornment agreement executed by any tenant and Lender), obtain and evict tenants (except as set forth in any subordination, non-disturbance and attornment agreement executed by any tenant and Lender), and demand, sue for, collect and receive all Rents of the Property and every part thereof; (v) require Mortgagor 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 Mortgagor; (vi) require Mortgagor to vacate and surrender possession of the Property to Lender or to such receiver and, in default thereof, Mortgagor may be evicted by summary proceedings or otherwise; and (vii) 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. If at any time such license is revoked by Lender and thereafter all Events of Default are cured in accordance with the terms of this Security Instrument, the Loan Agreement and the other Loan Documents, such license shall be reinstated and shall remain in full force and effect until the occurrence of a subsequent Event of Default, at which time said license shall again be automatically revoked in accordance with the terms hereof;

(i) subject to any limitation with respect thereto expressly set forth herein or in any of the other Loan Documents, apply any sums then deposited or held in escrow or otherwise by or on behalf of Lender in accordance with the terms of the Loan Agreement, this Security Instrument or any other Loan Document and/or the Accounts to the payment of the following items in any order in its sole discretion: (i) Taxes and Other Charges; (ii) insurance premiums; (iii) interest on the unpaid principal balance of the Debt; (iv) amortization of the unpaid principal balance of the Debt; (v) all other sums payable pursuant to the Note, the Loan Agreement, this

Security Instrument and the other Loan Documents, including without limitation advances made by Lender pursuant to the terms of this Security Instrument;

(j) apply the undisbursed balance of any deposit made by Mortgagor with Lender in connection with the restoration of the Property after a Casualty or Condemnation, 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; and/or

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

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. Notwithstanding the provisions of this Section to the contrary, if any Event of Default as described in Section 10.1(f) of the Loan Agreement shall occur with respect to Mortgagor or any SPE Component Entity, the entire unpaid Debt shall be automatically due and payable, without any further notice, demand or other action by Lender.

Section 8.2. APPLICATION OF PROCEEDS. Subject to the terms of the Loan Agreement, upon the occurrence and during the continuance of any Event of Default, the purchase money, proceeds and avails of any disposition of the Property (or any part thereof) and any other sums collected by Lender pursuant to the Note, this Security Instrument or the other Loan Documents may, in each case, be applied by Lender to the payment of the Debt in such order, priority and proportions as Lender in its sole discretion shall determine.

Section 8.3. RIGHT TO CURE DEFAULTS. Upon the occurrence and during the continuance of any Event of Default, if Mortgagor fails to cure such Event of Default for a period of five (5) Business Days after Mortgagor's receipt of written notice thereof from Lender, Lender may, but without any obligation to do so and without releasing Mortgagor from any obligation hereunder, perform the obligations giving rise to such Event of Default in such manner and to such extent as Lender may deem necessary to protect the security hereof. Upon the occurrence and during the continuance of an Event of Default, Lender is authorized to enter upon the Property for such purposes, subject to the rights of Tenants, 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 actual out-of-pocket cost and expense thereof (including reasonable attorneys' fees to the extent permitted by law), with interest as provided in this Section 8.3, shall constitute a portion of the Debt and shall be due and payable to Lender upon ten (10) days of Lender's written demand therefor. All such costs and expenses actually incurred by Lender in remedying such Event of Default or such failed payment or act or in appearing in, defending, or bringing any such action or proceeding shall bear interest at any default rate specified in the Loan Agreement, if any (the "**Default Rate**"), for the period after the expiration of such ten (10) day period after notice from Lender that such cost or expense was incurred to the date of payment to Lender. All such costs and expenses actually 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 Loan Documents and shall be immediately due and payable upon demand by Lender therefor.

Section 8.4. INTENTIONALLY OMITTED.

Section 8.5. RECOVERY OF SUMS REQUIRED TO BE PAID. Upon the occurrence and during the continuance of an Event of Default, Lender, to the extent permitted by applicable law, 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 any Lender thereafter to bring an action of foreclosure, or any other action, for an Event of Default by Mortgagor existing at the time such earlier action was commenced.

Section 8.6. 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. Mortgagor shall not be relieved of Mortgagor's obligations hereunder by reason of (i) the failure of Lender to comply with any request of Mortgagor or any guarantor or indemnitor with respect to the Loan to take any action to foreclose this Security Instrument or otherwise enforce any of the provisions hereof or of the Note or the other Loan 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 Note, this Security Instrument or the other Loan Documents.

(b) It is agreed that the risk of loss or damage to the Property is on Mortgagor, and the Lender shall have no liability whatsoever for decline in the value of the Property, for failure to maintain the insurance policies required to be maintained pursuant to the Loan Agreement, 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) Upon the occurrence and during the continuance of an Event of Default, Lender may resort for the payment of the Debt to any other security held by Lender in accordance with the provisions of the Loan Documents 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 not 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 8.7. 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 Debt 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 8.8. RIGHT OF ENTRY. Upon reasonable prior written notice to Mortgagor (the parties hereby agreeing that twenty-four (24) hours' notice shall be reasonable, except that during the continuance of an Event of Default, such notice may be less than twenty-four (24) hours), Lender and its agents shall have the right to enter and inspect the Property in accordance with the terms set forth in Section 4.7 of the Loan Agreement.

Section 8.9. BANKRUPTCY. (a) Upon the occurrence and during the continuance of an Event of Default, to the extent permitted under applicable law, Lender shall have the right to proceed in its own name or in the name of Mortgagor in respect of any claim, suit, action or proceeding relating to the rejection of any Lease, including, without limitation, the right to file and prosecute, to the exclusion of Borrower or Operator, any proofs of claim, complaints, motions, applications, notices and other documents, in any case in respect of the lessee under such Lease under the Bankruptcy Code.

(b) If there shall be filed by or against Borrower or Operator a petition under the Bankruptcy Code and Borrower or Operator, as lessor under any Lease, shall determine to reject such Lease pursuant to Section 365(a) of the Bankruptcy Code, then Borrower or Operator shall give Lender not less than ten (10) days' prior notice of the date on which Borrower or Operator shall apply to the bankruptcy court for authority to reject the Lease. Lender shall have the right, but not the obligation, to serve upon Borrower or Operator within such ten-day period a notice stating that (i) Lender demands that Borrower or Operator assume and assign the Lease to Lender pursuant to Section 365 of the Bankruptcy Code and (ii) Lender covenants to cure or provide adequate assurance of future performance under the Lease. If Lender serves upon Borrower or Operator the notice described in the preceding sentence, Borrower or Operator shall not seek to reject the Lease and shall comply with the demand provided for in clause (i) of the preceding sentence within thirty (30) days after the notice shall have been given, subject to the performance by Lender of the covenant provided for in clause (ii) of the preceding sentence.

Section 8.10. SUBROGATION. If any or all of the proceeds of the Note have been used to extinguish, extend or renew any indebtedness heretofore existing against the Property, then, to the extent of the funds so used, Lender shall be subrogated to all of the rights, claims, liens, titles, and interests existing against the Property heretofore held by, or in favor of, the holder of such indebtedness and such former rights, claims, liens, titles, and interests, if any, are not waived but rather are continued in full force and effect in favor of Lender and are merged with the lien and security interest created herein as cumulative security for the repayment of the Debt, the performance and discharge of the Other Obligations.

Article 9 - Environmental Hazards

Section 9.1. ENVIRONMENTAL COVENANTS. Borrower and Operator have provided representations, warranties and covenants regarding environmental matters set forth in the Environmental Indemnity and Borrower and Operator shall comply with the aforesaid covenants regarding environmental matters in accordance with the terms therein.

Article 10 - Waivers

Section 10.1. MARSHALLING AND OTHER MATTERS. Mortgagor hereby waives, to the extent permitted by law, the benefit of all Legal Requirements now or hereafter in force regarding appraisement, valuation, stay, extension, reinstatement and redemption and all rights of marshalling in the event of any sale hereunder of the Property or any part thereof or any interest therein. Further, Mortgagor 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 Mortgagor, 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 Legal Requirements.

Section 10.2. WAIVER OF NOTICE. To the extent permitted by applicable law, Mortgagor 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 Mortgagor and except with respect to matters for which Mortgagor is not permitted by Legal Requirements to waive its right to receive notice, and Mortgagor hereby expressly waives the right to receive any notice from Lender with respect to any matter for which this Security Instrument does not specifically and expressly provide for the giving of notice by Lender to Mortgagor.

Section 10.3. INTENTIONALLY OMITTED.

Section 10.4. SOLE DISCRETION OF LENDER. Whenever pursuant to this Security Instrument, Lender exercises any right given to it to approve or disapprove any matter, or any arrangement or term is to be satisfactory to Lender, the decision of Lender to approve or disapprove such matter or to decide whether arrangements or terms are satisfactory or not satisfactory shall (except as is otherwise specifically herein provided) be in the sole (but reasonable) discretion of Lender and shall be final and conclusive.

Section 10.5. WAIVER OF TRIAL BY JURY. MORTGAGOR AND LENDER EACH HEREBY AGREES NOT TO ELECT A TRIAL BY JURY OF ANY ISSUE TRIABLE OF RIGHT BY JURY, AND WAIVES ANY RIGHT TO TRIAL BY JURY FULLY TO THE EXTENT THAT ANY SUCH RIGHT SHALL NOW OR HEREAFTER EXIST WITH REGARD TO THE LOAN DOCUMENTS, OR ANY CLAIM, COUNTERCLAIM OR OTHER ACTION ARISING IN CONNECTION THEREWITH. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS GIVEN KNOWINGLY AND VOLUNTARILY BY MORTGAGOR AND LENDER, AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE. EACH OF MORTGAGOR AND LENDER IS HEREBY AUTHORIZED TO FILE A COPY OF THIS PARAGRAPH IN ANY PROCEEDING AS CONCLUSIVE EVIDENCE OF THIS WAIVER BY MORTGAGOR AND LENDER.

Section 10.6. WAIVER OF FORECLOSURE DEFENSE. Mortgagor hereby waives any defense Mortgagor might assert or have by reason of Lender's failure to make any tenant or lessee of the Property a party defendant in any foreclosure proceeding or action instituted by Lender.

Article 11 - EXCULPATION

Section 11.1. The provisions of Section 13.1 of the Loan Agreement are hereby incorporated by reference into this Security Instrument to the same extent and with the same force as if fully set forth herein.

Article 12 - Notices

Section 12.1. NOTICES. All notices or other written communications hereunder shall be delivered in accordance with the applicable terms and conditions of the Loan Agreement.

Article 13 - Applicable Law

Section 13.1. GOVERNING LAW. The governing law and related provisions contained in Section 17.2 of the Loan Agreement are hereby incorporated by reference as if fully set forth herein.

Section 13.2. 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. 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 14 - Definitions

Section 14.1. GENERAL DEFINITIONS. Unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, words used in this Security Instrument may be used interchangeably in singular or plural form and the word "Borrower" shall mean "each Borrower and any subsequent owner or owners of the Property or any part thereof or any interest therein," the word "Lender" shall mean "Lender and any of Lender's successors and assigns," the word "Mortgagor" shall mean "Mortgagor and any of Mortgagor's successors and assigns," the word "Note" shall mean "the Note and any other evidence of indebtedness secured by this Security Instrument," the word "Operator" shall mean "Operator and any of Operator's successors and assigns," the word "Property" shall include any portion of the Property and any interest therein, and the phrases "attorneys' fees", "legal fees" and "counsel fees" shall include any and all reasonable actual out-of-pocket 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 hereunder.

Article 15 - Miscellaneous Provisions

Section 15.1. 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 Mortgagor or any 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 15.2. JOINT AND SEVERAL LIABILITY. If Mortgagor shall consist of more than one Person, Mortgagor shall be jointly and severally liable for the performance of the obligations of such Person. Nothing contained herein shall in any way alter or modify Mortgagor's obligations as a joint and several obligor (with Other Borrowers) for the repayment of the Debt and performance of the Obligations.

Section 15.3. SUCCESSORS AND ASSIGNS. This Security Instrument shall be binding upon and inure to the benefit of Mortgagor and Lender and their respective successors and permitted assigns forever.

Section 15.4. INAPPLICABLE PROVISIONS. If any term, covenant or condition of this Security Instrument is held to be invalid, illegal or unenforceable in any respect, this Security Instrument shall be construed without such provision.

Section 15.5. 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.

Section 15.6. 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 15.7. ENTIRE AGREEMENT. This Security Instrument and the other Loan Documents contain the entire agreement of the parties hereto and thereto in respect of the transactions contemplated hereby and thereby, and all prior agreements among or between such parties, whether oral or written, are superseded by the terms of this Security Instrument and the other Loan Documents.

Section 15.8. LIMITATION ON LENDER'S RESPONSIBILITY. No provision of this Security Instrument shall operate to place any obligation or liability for the control, care, management or repair of the Property upon Lender, nor shall it operate to make Lender responsible or liable for any waste committed on the Property by the tenants or any other Person, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property resulting in loss or injury or death to any tenant, licensee, employee or stranger, except those that are a direct result of the gross negligence, willful misconduct or illegal acts of Lender. Nothing herein contained shall be construed as constituting Lender a "mortgagee in possession."

Section 15.9. TERMINATION AND ASSIGNMENT.

(a) Provided no Event of Default has occurred and is then continuing, upon the payment in full of the Debt and performance of the Obligations to be performed by Borrower and/or the Other Borrowers under the Loan Documents required in connection with the payment in full of the Debt in accordance with the terms and provisions hereof and of the other Loan Documents, upon the written request and at the sole cost and expense of Borrower, Lender shall

(i) deliver to Mortgagor such documentation as reasonably requested by Mortgagor to evidence the termination of this Security Instrument in accordance with Section 1.5 hereof or (ii) cooperate with Mortgagor to effect an assignment of the Note and this Security Instrument to a new lender in the manner set forth in subsection (b) of this Section 15.9.

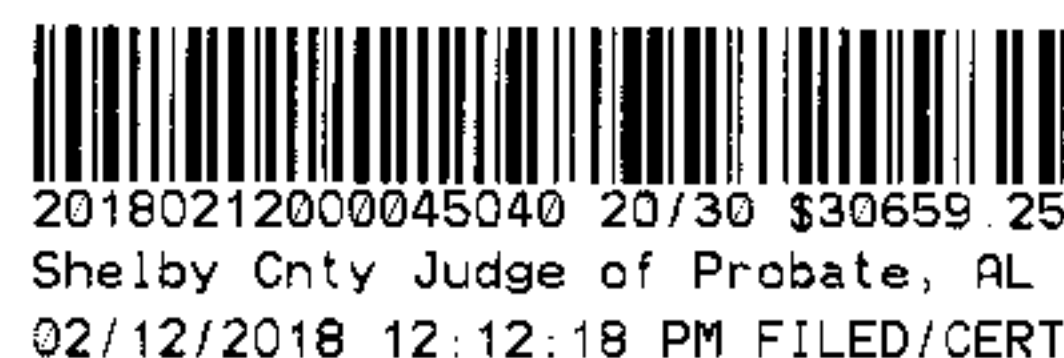
(b) Subject to Section 15.9(a), Lender shall assign the Note and this Security Instrument, each without recourse, covenant or warranty of any nature, express or implied, to such new lender designated by Borrower (other than Borrower or a nominee of Borrower) and any such assignment shall be conditioned on the following: (i) payment by Borrower of (A) the then reasonable and customary administrative fee, if any, for processing assignments of mortgage charged by Lender and (B) the reasonable costs and expenses of Lender incurred in connection therewith (including attorneys' fees and expenses for the preparation, delivery and performance of such an assignment); (ii) such an assignment is not then prohibited by any federal, state or local law, rule, regulation or order or by any Governmental Authority; and (iii) Borrower shall provide such other opinions, documents, items and information which a prudent lender would require to effectuate such assignment. Borrower shall be responsible for all mortgage recording taxes, recording fees and other charges payable in connection with any such assignment. Borrower agrees that the assignment of the Note and this Security Instrument to the new lender shall be accomplished by an escrow closing conducted through an escrow agent satisfactory to Lender and pursuant to an escrow agreement in form and substance satisfactory to Lender.

Section 15.10. CROSS COLLATERALIZATION. In accordance with the terms and conditions of the Loan Agreement, without limitation to any other right or remedy provided to Lender in this Security Instrument or any of the other Loan Documents, Mortgagor acknowledges and agrees that (i) during the continuance of an Event of Default, to the fullest extent permitted by law, Lender shall have the right to pursue all of its rights and remedies in one proceeding, or separately and independently in separate proceedings which Lender, in its sole and absolute discretion, shall determine from time to time; (ii) Lender shall not be required to marshal assets, sell any collateral for the Loan in any inverse order of alienation, or be subjected to any "one action" or "election of remedies" law or rule; (iii) the exercise by Lender of any remedies against any of the collateral for the Loan shall not impede Lender from subsequently or simultaneously exercising remedies against other collateral for the Loan; (iv) all Liens and other rights, remedies and privileges provided to Lender in the Loan Documents or otherwise shall remain in full force and effect until Lender has exhausted all of its remedies against the collateral for the Loan and all of the collateral for the Loan has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Loan; and (v) all of the Property shall remain security for the performance of all of Mortgagor's obligations hereunder, under the Note and under any of the Loan Documents. Subject to Section 17.20 of the Loan Agreement, Mortgagor acknowledges that Mortgagor shall be jointly and severally liable for the obligations of the Other Borrowers under the Loan Documents, and Mortgagor consents and agrees to the terms and conditions of all of the Loan Documents (including those to which Mortgagor is a party).

Article 16 - Intentionally Omitted

Article 17 - Covenants and Estoppel

Section 17.1. PLEDGED LEASE COVENANTS.



(a) In the event that Operator shall be or become the owner and holder of the fee title to any portion of the Property while any portion of the Obligations remains unpaid or unsatisfied, the lien of this Security Instrument shall be spread to cover such fee title to such portion of the Property. In such event, Operator agrees, at its sole cost and expense, including any reasonable attorneys' fees and disbursements incurred by Lender in connection therewith, to (i) execute or cause to be executed any and all documents or instruments necessary to subject Operator's fee title to the Property to the lien of this Security Instrument; and (ii) provide a title insurance policy, at Operator's expense, that shall insure that the lien of this Security Instrument is a first lien on Operator's or such Person's fee title to the Property.

(b) Without limiting any other provisions contained herein, Operator hereby agrees that all of its right, title and interest under the Pledged Lease (and otherwise with respect to the Property) is subject and subordinate to the Loan and Lender's security interest in Borrower's right, title and interest in and to the Property. In connection therewith, Operator acknowledges and agrees that in the event Lender shall succeed to the interests of Borrower under the Pledged Lease, Lender shall have the absolute right (without regard to the enforceability or perfection of Lender's security interest in Operator's leasehold estate) to terminate the Pledged Lease and in such event (i) the Pledged Lease and all of Operator's right, title and interest thereunder shall automatically terminate and (ii) Operator shall not in any way oppose, impede, obstruct, challenge, hinder, frustrate, enjoin or otherwise interfere with Lender's exercise of any such termination right. Furthermore, in connection with any termination of the Pledged Lease as referenced in this paragraph or otherwise upon the exercise of Lender's remedies hereunder, Operator shall reasonably cooperate with Lender to transition the operations of the hotel located on the Property to Lender or Lender's designee.

Article 18 - State-Specific Provisions

Section 18.1. PRINCIPLES OF CONSTRUCTION. In the event of any inconsistencies between the terms and conditions of this Article 18 and the other terms and conditions of this Security Instrument, the terms and conditions of this Article 18 shall control and be binding.

Section 18.2. POWER OF SALE. In addition to the rights and remedies set forth in Article 8 hereof, if an Event of Default exists, this Security Instrument shall be subject to foreclosure and may be foreclosed as now provided by law in case of past-due mortgages, and Lender shall be authorized, at its option, whether or not possession of the Property is taken, to sell the Property (or such part or parts thereof as Lender may from time to time elect to sell) under the power of sale which is hereby given to Lender, at public outcry, to the highest bidder for cash, at the front or main door of the courthouse of the county in which the Land to be sold, or a substantial and material part thereof, is located, after first giving notice by publication once a week for three successive weeks of the time, place and terms of such sale, together with a description of the Property to be sold, by publication in some newspaper published in the county or counties in which the Land to be sold is located. If there is Land to be sold in more than one county, publication shall be made in all counties where the Land to be sold is located, but if no newspaper is published in any such county, the notice shall be published in a newspaper published in an adjoining county for three successive weeks. The sale shall be held sometime during the applicable legal hours of sale on the day designated for the exercise of the power of sale hereunder. Lender may bid at any sale held under this Security Instrument in the form of cash, cash equivalents and/or cancellation

of all or any part of the Obligations, or any combination thereof, and may purchase the Property, or any part thereof, if the highest bidder therefor. The purchaser at any such sale shall be under no obligation to see to the proper application of the purchase money. At any sale all or any part of the Property, real, personal or mixed, may be offered for sale in parcels or en masse for one total price, and the proceeds of any such sale en masse shall be accounted for in one account without distinction between the items included therein and without assigning to them any proportion of such proceeds, Mortgagor hereby waiving the application of any doctrine of marshalling or like proceeding. In case Lender, in the exercise of the power of sale herein given, elects to sell the Property in parts or parcels, sales thereof may be held from time to time, and the power of sale granted herein shall not be fully exercised until all of the Property not previously sold shall have been sold or all the Obligations shall have been paid in full and this Security Instrument shall have been terminated as provided herein.

Section 18.3. FORECLOSURE DEEDS. To the extent permitted by applicable law, Mortgagor hereby authorizes and empowers Lender, or any person conducting the sale for Lender, at any foreclosure sale had hereunder, for and in the name of Mortgagor, to execute and deliver to the purchaser or purchasers of any of the Property sold at foreclosure good and sufficient deeds of conveyance or bills of sale thereto.

Section 18.4. MULTIPLE SALES. If an Event of Default exists, Lender shall have the option to proceed with foreclosure, either through the courts or by power of sale as provided for in this Security Instrument, but without declaring the whole Obligations due. Any such sale may be made subject to the unmatured part of the Obligations, and such sale, if so made, shall not affect the unmatured part of the Obligations, but as to such unmatured part of the Obligations this Security Instrument shall remain in full force and effect as though no sale had been made under this Article 18. Several sales may be made hereunder without exhausting the right of sale for any remaining part of the Obligations, whether then matured or unmatured, the purpose hereof being to provide for a foreclosure and sale of the Property for any matured part of the Obligations without exhausting the power of foreclosure and the power to sell the Property for any other part of the Obligations, whether matured at the time or subsequently maturing.


Section 18.5. PREREQUISITES OF SALES. In case of any sale of the Property as authorized by Section 18.2, all prerequisites to such sale shall be presumed to have been performed, and in any conveyance given hereunder all statements of facts, or other recitals therein made, as to the nonpayment of any of the Obligations or as to the advertisement of sale, or the time, place and manner of sale, or as to any other fact or thing, shall be taken in all courts of law or equity as rebuttably presumptive evidence that the facts so stated or recited are true.

Section 18.6. AMENDED PROVISIONS. Section 3.4 of this Security Instrument is hereby amended by deleting at the beginning thereof the text "Mortgagor has good, indefeasible and insurable title to the Property" and by inserting in lieu thereof the following text "Mortgagor has and is seized of good, indefeasible, marketable and insurable title".

Section 18.7. ADDITIONAL FIXTURE FILING LANGUAGE. This Security Instrument shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included in the Property and is to be filed and recorded in, among other places, the real estate records of the county where the Property is located. For this purpose the following information is included: The

Property is described by item or type in Section 1.1. Mortgagor is the debtor and Lender is the secured party. The names of the debtor (Mortgagor) and the secured party (Lender) are given in the first paragraph of this Security Instrument. The mailing addresses of Lender set out in the first paragraph hereof are addresses of the secured party from which information concerning the security interest may be obtained. The mailing address of the Mortgagor set out in the first paragraph hereof is a mailing address for the debtor. A statement indicating the types, or describing the items, of collateral is set forth in Section 1.1 and in this Section 18.7. The real estate to which the goods are or are to be affixed is described in Exhibit A.

[NO FURTHER TEXT ON THIS PAGE]



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IN WITNESS WHEREOF, this Security Instrument has been executed by the undersigned as of the day and year first above written.

BORROWER:

**WOODSPRING SUITES BIRMINGHAM
SOUTH LLC, F/K/A VALUE PLACE
PELHAM LLC**, a Kansas limited liability
company


By: 
Name: Boycon Choi
Title: Authorized Signatory


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STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

I, Samuel Friedman, a Notary Public for the said County and State of New York, do hereby certify that Boyeon Cho., an Authorized Signatory of WOODSPRING SUITES BIRMINGHAM SOUTH LLC, F/K/A VALUE PLACE PELHAM LLC, a Kansas limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such company.


WITNESS my hand and official stamp or seal, this 2nd day of January, 2018.



Notary Public


[SEAL]
My commission expires:

SAMUEL FRIEDMAN
Notary Public, State of New York
CNY 00121100
Qualified in New York County
Commission Expires September 14, 2019


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OPERATOR:

BSREP II WS HOTEL TRS SUB LLC,
a Delaware limited liability company

By: 

Name: P. Scott Selig
Title: Authorized Signatory



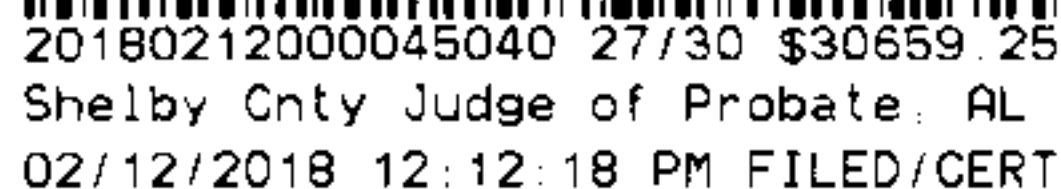
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[Security Instrument (Birmingham South, AL)]

I, Angel Arias, a Notary Public for the said County and State of New York, do hereby certify that P. Scott Seng, an Authorized Signatory of BSREP II WS HOTEL TRS SUB LLC, a Delaware limited liability company, personally appeared before me this day and acknowledged the due execution of the foregoing instrument on behalf of such company.

ANGEL ARIAS
Notary Public, State of New York
No. 01AR5040048
Qualified in Queens County
Certificate Filed in New York County
Commission Expires March 6, 2019

[SEAL]
My commission expires: March 6, 2019



[Security Instrument (Birmingham South, AL)]

SCHEDULE I

Pledged Lease

That certain Lease Agreement dated as of February 1, 2018, by and between Borrower and Other Borrowers, as Landlord, and Operator, as Tenant, as evidenced by that certain Memorandum of Lease dated as of February 1, 2018, recorded on or about the date hereof in the official records of the city or county where the Property is located.



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EXHIBIT A

Legal Description

A PARCEL OF LAND SITUATED IN THE SOUTHEAST ONE-QUARTER OF SECTION 31, TOWNSHIP 19 SOUTH, RANGE WEST SHELBY COUNTY, ALABAMA BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

PARCEL 1:

COMMENCE AT THE SOUTHWEST CORNER OF SAID QUARTER SECTION AND RUN EAST ALONG THE SOUTH LINE THEREOF FOR A DISTANCE OF 1826.56 FEET; THENCE LEAVING SAID SOUTH LINE TURN AN INTERIOR ANGLE TO THE RIGHT OF 57 DEGREES 00 MINUTES 07 SECONDS AND RUN NORTHWESTERLY DIRECTION FOR A DISTANCE OF 399.97 FEET TO A POINT ON THE NORTHERNMOST RIGHT OF WAY OF OAK MOUNTAIN PARK ROAD (60 ROW.) SAID POINT BEING A FOUND 5/8" REBAR; THENCE TURN AN INTERIOR ANGLE TO THE LEFT OF 45 DEGREES 19 MINUTES 42 SECONDS AND RUN IN A NORTHEASTERLY DIRECTION ALONG SAID RIGHT OF WAY FOR A DISTANCE OF 192.27 FEET TO THE POINT OF BEGINNING OF THE PROPERTY HEREIN DESCRIBED SAID POINT BEING A FOUND 5/8" REBAR; THENCE TURN AN EXTERIOR ANGLE TO THE RIGHT OF 85 DEGREES 19 MINUTES 24 SECONDS AND RUN NORTHERLY DIRECTION FOR A DISTANCE OF 280.69 FEET TO A POINT ON THE SOUTHERN-MOST RIGHT OF WAY OF BISHOP CIRCLE, SAID POINT BEING A SET 5/8" CAPPED REBAR STAMPED CA-560-LS, SAID POINT ALSO BEING ON A CURVE TURNING TO THE LEFT, SAID CURVE HAVING A RADIUS OF 50.00 FEET, A CENTRAL ANGLE OF 37 DEGREES 53 MINUTES 41 SECONDS, A CHORD DISTANCE OF 32.47 FEET, AND AN INTERIOR ANGLE TO THE LEFT TO CHORD OF 144 DEGREES 21 MINUTES 42 SECONDS; THENCE ALONG THE ARC OF SAID CURVE AND ALONG SAID RIGHT OF WAY FOR A DISTANCE OF 33.07 FEET TO A SET 5/8" CAPPED REBAR STAMPED CA-560-LS, SAID POINT BEING THE BEGINNING OF A REVERSE CURVE TURNING TO THE RIGHT, SAID CURVE HAVING RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 73 DEGREES 23 MINUTES 54 SECONDS, AND A CHORD DISTANCE OF 23.90 FEET; THENCE RUN ALONG THE ARC OF SAID CURVE AND ALONG SAID RIGHT OF WAY FOR A DISTANCE OF 25.62 FEET TO A 5/8" CAPPED REBAR STAMPED CA-560-LS, SAID POINT ALSO BEING THE POINT OF TANGENCY OF SAID CURVE; THENCE RUN ALONG A LINE TANGENT TO SAID CURVE AND ALONG SAID RIGHT OF WAY LINE FOR A DISTANCE OF 238.68 FEET TO A SET 5/8" CAPPED REBAR STAMPED CA-560-LS, SAID POINT ALSO BEING ON A CURVE TO THE RIGHT, SAID CURVE HAVING A RADIUS OF 3599.42 FEET, A CENTRAL ANGLE OF 03 DEGREES 37 MINUTES 05 SECONDS, A CHORD DISTANCE OF 227.25 FEET, AND AN INTERIOR ANGLE TO THE LEFT TO CHORD OF 93 DEGREES 53 MINUTES 53 SECONDS; THENCE RUN ALONG THE ARC OF SAID CURVE ALONG SAID RIGHT OF WAY FOR A DISTANCE OF 227.09 FEET TO A FOUND 5/8" REBAR, SAID POINT ALSO BEING ON THE AFORE MENTIONED RIGHT OF WAY OF OAK MOUNTAIN PARK ROAD (1-65 SERVICE ROAD); THENCE TURN AN INTERIOR ANGLE TO THE LEFT CHORD OF 124 DEGREES 46 MINUTES 38 SECONDS AND RUN IN A SOUTHWESTERLY DIRECTION ALONG SAID RIGHT OF WAY FOR A DISTANCE OF 132.51 FEET TO A FOUND CONCRETE MONUMENT; THENCE TURN AN INTERIOR ANGLE TO THE LEFT OF 145 DEGREES 56 MINUTES 59 SECONDS AND RUN IN A NORTHWESTERLY DIRECTION ALONG SAID RIGHT OF WAY FOR A DISTANCE OF 164.71 FEET TO A FOUND CONCRETE MONUMENT; THENCE TURN AN INTERIOR ANGLE TO THE LEFT OF 172 DEGREES 00 MINUTES 18 SECONDS AND RUN IN A WESTERLY DIRECTION FOR A DISTANCE OF 24.16 FEET TO THE POINT OF BEGINNING.




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PARCEL 2:

TOGETHER WITH A 15 FOOT WIDE EXCLUSIVE AND PERPETUAL RETAINING WALL EASEMENT FOR THE BENEFIT OF PARCEL 1, AS CREATED BY THAT CERTAIN RETAINING WALL EASEMENT AGREEMENT RECORDED JULY 23, 2007 IN INSTRUMENT NO. 20070723000343400.

PARCEL NO.: 10-9-31-4-001-007.016


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