

LIMITED GUARANTY OF PAYMENT
of
“NON-RECOURSE” MORTGAGE

_____, 20____

In consideration of the making of a \$ _____ mortgage loan dated the date hereof (“Loan”) to _____ (the “Borrower”) secured by a mortgage of even date (“Mortgage”) on property located at _____, _____ (“Premises”) and all loans, extensions of credit, renewals and other instruments for payment of money and any security documents relative thereto made in connection with such Loan in favor of [Bank] (hereinafter “Bank”) having an office at [Bank’s Address], the undersigned (each, any and all of whom are hereinafter called “Guarantor”) hereby absolutely and unconditionally, jointly and severally, guarantee to and agree to indemnify Bank, its successors and assigns, the prompt and unconditional payment of any loss, cost or expense whatsoever (including, without limitation, reasonable legal fees and expenses) (a) arising out of proceeds paid under any insurance policies (or paid as a result of any other claim or cause of action against any person or entity) by reason of damage, loss or destruction to all or any portion of the Premises, to the full extent of such proceeds not previously delivered to Bank but which, under the terms of the Mortgage or the Loan Documents (hereinafter defined) should have been delivered to Bank, (b) for proceeds or awards resulting from the condemnation or other taking in lieu of condemnation of all or any portion of the Premises, or any of them, to the full extent of such proceeds or awards not previously delivered to Bank but which, under the terms of the Mortgage or the Loan Documents, should have been delivered to Bank, (c) for all tenant security deposits or other refundable deposits paid to or held by Borrower or any other person or entity in connection with leases of all or any portion of the Premises which are not applied in accordance with the terms of the applicable lease or other agreement, (d) for rent and other payments received from tenants under leases of all or any portion of the Premises paid more than one month in advance, (e) for rents, issues, profits and revenues of all or any portion of the premises received or applicable to a period after any notice of default from Bank hereunder or under the Loan Documents in the event of any default by Borrower hereunder or thereunder which are not either applied to the ordinary and necessary expenses of owning and operating the Premises or paid to Bank, (f) for damage to the Premises as a result of the intentional misconduct or gross negligence of Borrower or any of its principals, officers or general partners, or any agent or employee of any such persons, or any removal of the Premises in violation of the terms of the Mortgage or the Loan Documents, to the full extent of the losses or damages incurred by Bank on account of such failure, (g) for so long as Borrower is in possession and control of the Premises, for failure to pay any valid taxes, assessments, mechanic’s liens, materialmen’s liens or other liens which could create liens on any portion of the Premises which would be superior to the lien or security title of the Mortgage or the Loan Documents, to the full extent of the amount claimed by any such lien claimant, (h) for all obligations and indemnities of Borrower under the Mortgage and the Loan Documents relating to hazardous or toxic substances or compliance with environmental laws and regulations to the full extent of any losses or damages (including those resulting from diminution in value of any Premises) incurred by Bank as a result of the existence of such hazardous or toxic substances or failure to comply with environmental laws or regulations, and (i) for misapplication of Borrower’s funds or property, or fraud or material misrepresentation by Borrower or any of its principals, officers, or general partners, any guarantor, any indemnitor or

any agent, employee or other person authorized or apparently authorized to make statements or representations on behalf of Borrower, any principal, officer or partner of Borrower, any guarantor or any indemnitor, to the full extent of any losses, damages and expenses of Bank on account thereof. Items (a) through (i) above shall also be exceptions to the non-recourse nature of the Loan and shall subject Borrower to liability for losses relating to such events (the "Guaranteed Amounts"). Obligations, and each of them, shall conclusively be presumed to have been created, contracted or incurred in reliance upon this guaranty and all dealings between Borrower and Bank shall likewise conclusively be presumed to have been had or consummated in reliance upon this guaranty.

If Borrower shall default in the punctual payment of any sum payable on Guaranteed Amounts, Guarantor shall, upon demand of Bank, immediately pay the sums so past due up to the Guaranteed Amount.

Guarantor unconditionally and irrevocably waives, to the fullest extent permitted by applicable law: (a) any and all notice of acceptance of this guaranty or the creation, or accrual of Obligations, or of any renewals or extensions thereof from time to time, or of the reliance by Bank upon this Guaranty; (b) protest, demand for payment, notice of default or nonpayment to or on Guarantor, Borrower or any other party liable for or upon Obligations; (c) notice of any of the matters referred to in the next paragraph hereof; (d) all notices which may be required by statute, rule of law or otherwise to preserve any rights against the Guarantor hereunder, including, without limitation, notice of the acceptance of this Guaranty, modification of the Obligations or notice of any other matters relating thereto, any presentment, notice of dishonor; (e) any requirement for the enforcement, assertion or exercise of any right, remedy, power or privilege under or in respect of any Loan document, including, without limitation, diligence in collection or protection of or realization upon the Obligations or any part thereof or any collateral therefor; (f) any requirement of diligence; (g) any requirement to mitigate the damages resulting from a default by the Borrower under any Loan document; (h) the occurrence of every other condition precedent to which the Guarantor or the Borrower may otherwise be entitled; (i) the right to require the Bank to proceed against the Borrower or any other person liable on the Obligations, to proceed against or exhaust any security held by the borrower or any other person, or to pursue any other remedy in the Bank's power whatsoever; (j) the right to have the property of the Borrower first applied to the discharge of the Obligations and any and all rights it may now or hereafter have under any agreement or at law or in equity (including, without limitation, any law subrogating the Guarantor to the rights of the Bank) to assert any claim against or seek contribution, indemnification or any other form of reimbursement from the Borrower or any other party liable for payment of any or all of the Obligations for any payment made by the Guarantor under or in connection with this Guaranty or otherwise.

This guaranty shall be a continuing, absolute and unconditional guaranty of payment of Guaranteed Amounts: (a) regardless of the validity, regularity or enforceability of any of the documents evidencing or securing or purporting to evidence or secure Obligations or purported Obligations; or (b) the fact that a security interest, as a lien on any collateral security may not be granted to, conveyed to, or created in favor of Bank; or (c) that collateral security, if any, pledged therefor may be subject to equities or defenses or claims in favor of others or may be invalid or defective in any way and for any reason including any action; or (d) failure to act, by Bank; or (e) any express or implied amendment, modification or supplement to any Loan document or any other agreement referred to in any Loan document; (f) any failure on the part of

the borrower to perform or comply with any Loan document; (g) any waiver, consent, change, extension, indulgence or other action or any action or inaction under or in respect of any Loan document or any other agreement as aforesaid, whether or not the Bank, the Borrower or the Guarantor has notice or knowledge of any of the foregoing; (h) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or similar proceeding with respect to the Borrower, or its properties or its creditors, or any action taken by any trustee or receiver or by any court in any such proceeding; (i) any furnishing or acceptance of additional security or any release of any security; (j) any limitation on the liability or obligations of the Borrower under any Loan document or any termination, cancellation, frustration, invalidity or unenforceability, in whole or in part, of any Loan document; (k) any lien, charge or encumbrance on or affecting the Guarantor's or any of the Borrower's respective assets and properties; (l) any act, omission or breach on the part of the Bank under any Loan document or any other agreement at any time existing between the Bank and the Borrower or any law or governmental regulation applicable to the Bank or any Loan document; (m) any claim as a result of any other dealings among the Bank, the Guarantor or the Borrower; (n) the assignment of this Guaranty, any Loan document to any other person; or (o) any change in the name of the bank, the Borrower or any other person or entity referred to herein.

This guaranty shall continue in full force and effect notwithstanding the termination or revocation of any other guaranty of Obligations, by any other co-guarantor thereof with respect to his liability as guarantor, any notice from Guarantor not to renew, extend or modify Obligations or any part thereof, the death, incapacity, dissolution of Guarantor, or increase, decrease or change in the partners of the Guarantor, if it be a partnership, and shall be binding upon Guarantor and Guarantor's estate and the personal representatives, heirs and successors of Guarantor who shall nevertheless, remain liable with respect to Obligations and any renewals or extensions thereof or liabilities arising out of same up to the Guaranteed Amount and Bank shall have all the rights herein provided for as if no such event had occurred. Any payment on account of, or re-acknowledgment of Obligations by Borrower or any other party liable therefor shall be deemed to be made on behalf of Guarantor and shall serve to start anew the statutory period of limitations applicable to this guaranty.

The execution and delivery hereafter to Bank by Guarantor of a new instrument of guaranty shall not terminate, supersede or cancel this instrument, unless expressly provided therein, and all rights and remedies of Bank hereunder or under any instrument of guaranty hereafter executed and delivered to Bank by Guarantor shall be cumulative and may be exercised singly or concurrently.

The rights and remedies provided for in this guaranty, and any note, security agreement, mortgage or any other agreements, or instruments executed in connection with Obligations or this guaranty are cumulative and not exclusive, and the Bank or any subsequent holder of Obligations may proceed against Borrower and/or Guarantors under note or any such guaranty, or may foreclose upon any property mortgaged or pledged to secure the Obligations, or may proceed against any other liable party, all in pursuance of any remedy afforded the Bank or any subsequent holder of Obligations, either by statute, contractually, or otherwise, at any time, in any order, either simultaneously or otherwise until the Obligation and all amounts due thereunder are fully paid and satisfied. It is understood and agreed that the Guarantors and each of them, remain and are at all times jointly and severally liable for Guaranteed Amounts and all amounts due thereunder up to the Guaranteed Amount until Obligations and all amounts due thereunder

are fully paid and satisfied, regardless of any recoveries from sale or disposition of collateral or pendency of proceedings or completion of proceedings to accomplish the same.

The Bank may, at its election, exercise any right or remedy it may have against the Borrower without affecting or impairing in any way the liability of the Guarantor hereunder and the Guarantor waives, to the fullest extent permitted by applicable law, any defense arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of the Guarantor against the Borrower, whether resulting from such election by the Bank or otherwise. The Guarantor waives any defense arising by reason of any disability or other defense of the Borrower or by reason of the cessation for any cause whatsoever of the liability, either in whole or in part, of the Borrower to the Bank for the Guaranteed Obligations.

No executory agreement unless in writing and signed by Bank and no course of dealing between Guarantor and Bank shall be effective to change or modify or to discharge in whole or in part this guaranty. No waiver of any rights or powers of Bank or consent by it shall be valid unless in writing signed by an authorized officer.

Any notice to Bank shall be deemed effective only if sent to the above address by certified mail, return receipt requested. Any notice to Guarantor shall be deemed sufficient if sent to Guarantor at the addresses listed under their respective signatures or such other address as such parties shall specify by written notice to Bank.

The term "Bank" as used throughout this guaranty shall be deemed to include all its branches, divisions and departments, any individual, partnership, limited liability company or corporation acting as nominee or agent for Bank, any corporation, the stock of which is owned or controlled, directly or indirectly, by Bank, and any endorsees, successors or assignees of Bank. The term "Borrower" and "Guarantor" as used throughout this instrument shall include the individual or individuals, association, partnership, limited liability company or corporation named herein respectively as Borrower or Guarantor and (a) in the case of Borrower any successor individual or individuals, associations, partnership or limited liability company, or corporation to which all or substantially all of the business or assets of said Borrower respectively shall have been transferred, (b) in the case of a partnership Borrower or partnership Guarantor any general or limited partnership which shall have been created by reason of, or continued in existence after, the admission of any new partner or partners therein, or the dissolution of the existing partnership by, or the continuation thereof after the death, resignation, or other withdrawal of any partner, and (c) in the case of a corporate or limited liability company, Borrower or Guarantor, any other corporation or limited liability company into or with which said Borrower or Guarantor shall have or has been merged, consolidated, reorganized or absorbed.

Until 369 days after all indebtedness owed by the Borrower pursuant to the note, mortgage and other Loan documents made in connection with the Loan (collectively, the "Loan Documents") shall have been paid in full to Bank, its successors or assigns, and no Act of Bankruptcy committed by a Guarantor (including but not limited to the filing of a petition in bankruptcy), this guarantee shall remain in full force and effect. The Guarantors shall not be released by any act or thing which might, but for this provision of this Guaranty, be deemed a legal or equitable discharge of a guarantor or surety, or by reason of any waiver, extension,

modification, forbearance or delay or other act or omission of the Bank, its successors and assigns, or its or their failure to proceed promptly or otherwise, or by reason of any further obligation or agreement between the Borrower or any subsequent owner of the fee interest in the premises and the then holder of the note, the mortgage and other Loan Documents relating to the payment of any sum secured thereby, or by reason of any action taken or omitted or circumstances which may or might vary the risk of or affect the rights of the Guarantors, or by reason of any further dealings between the Borrower or any subsequent owner of the mortgaged premises, the Bank or its successors or assigns relating to the note, the mortgage and/or the other Loan Documents or otherwise, and the Guarantors hereby expressly waive and surrender any defense to their liability hereunder based upon any of the foregoing acts, omissions, things, agreements or waivers or any of them, it being the purpose and intent of the parties hereto that the obligations of the undersigned hereunder are absolute and unconditional under any and all circumstances.

Guarantor agrees that, whenever an attorney is used to obtain payment under or otherwise enforce this guaranty or to enforce, declare or adjudicate any rights or obligations under this guaranty whether by suit or by any other means whatsoever, reasonable attorney's fees and disbursements incurred by the Bank in connection therewith, together with interest thereon at the Default Rate as defined in the Loan Documents, if Bank has advanced such funds, shall be payable by each Guarantor against whom this guaranty or any obligation or right hereunder is sought to be enforced, declared or adjudicated. Guarantor, if more than one, shall be jointly and severally bound and liable hereunder if any of the undersigned is a partnership, also the members thereof individually. Bank and Guarantor, in any litigation (whether or not arising out of or relating to Obligation, or any of the matters contained in this guaranty) in which Bank and any of them shall be adverse parties, waive trial by jury and Guarantor waives the performance of each and every condition precedent to which Guarantor might otherwise be entitled by law. The Guarantor agrees that service of process may be made upon the Guarantor by certified or registered mail to the address for notices set forth in the Guaranty or any method authorized by the laws of New York. The Guarantor hereby irrevocably submits to the jurisdiction of the United States District Court for the Eastern District of New York and any court in the state of New York in any action, suit or proceeding brought against the Guarantor and related to or in connection with this Guaranty or the transactions contemplated hereby, and to the extent permitted by applicable law, the guarantor hereby waives and agrees not to assert by way of motion, as a defense or otherwise in any such suit, action or proceeding, any claim that the guarantor is not personally subject to the jurisdiction of such courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper, or that this Guaranty or any document or any instrument referred to herein or the subject matter thereof may not be litigated in or by such courts. This guaranty shall be governed by and construed in accordance with the law of the State of New York. Any provision hereof which may prove unenforceable under any law shall not affect the validity of any other provision hereof.

Guarantor, being affiliated with the Borrower, acknowledges and agrees that the Guarantor has received and will receive direct and indirect benefits from the making of the Loan to Borrower.

In the event any Loan document shall be terminated as a result of the rejection thereof by any trustee, receiver or liquidating agent of the Borrower or any of its properties in any

bankruptcy, insolvency, reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar proceeding, the Guarantor's obligations hereunder shall continue to the same extent as if such Loan Document had not been so rejected.

The Guarantor further agrees that if any payment made by the Borrower or the Guarantor to the Bank on any Obligation is rescinded recovered from or repaid by the Bank, in whole or in part, in any bankruptcy, insolvency or similar proceeding instituted by or against the Borrower or Guarantor, this Guaranty shall continue to be in fully applicable to such Obligation to the same extent as though the payment so recovered or repaid had never originally been made on such Obligation regardless of, and, without giving effect to, any discharge or release of the Guarantor's obligations hereunder granted by the Bank after the date hereof.

At any time and from time to time, without terminating, affecting or impairing the validity of this Guaranty or the Obligations of the Guarantor hereunder, the Bank may deal with the Borrower in the same manner and as fully as if this Guaranty did not exist and shall be entitled, among other things, to grant the Borrower, without notice or demand and without affecting the Guarantor's liability hereunder, such extension or extensions of time to perform, renew, compromise, accelerate or otherwise charge the time for payment of or otherwise change the terms of indebtedness or any part thereof contained in or arising under any Loan document or any other document evidencing Obligations of the Borrower to the Bank, or to waive any obligation of the Borrower to perform any act or acts as the Bank may deem advisable.

IN WITNESS WHEREOF, each of the undersigned has hereunto set his hand and his or its seal the day and year first above written.

Address for notices:

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

On the ____ day of _____ in the year 20__ before me, the undersigned, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Notary Public