

## No Second Chances for 'Bad Boys': Court Holds Non-Recourse Carve-Out Enforceable

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Real estate lenders use guaranties to carve out certain acts from non-recourse liability and hold borrowers and principals liable in certain cases in which collateral value has decreased. This article discusses *CSFB 2001-CP-4 Princeton Park Corporate Center, LLC v SB Rental I, LLC*, a New Jersey appellate court decision that upheld the enforceability of a non-recourse carve-out provision making the loan fully recourse if the borrower placed a junior financing lien against the mortgaged property.

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### CONTACTS

For more information, contact your Katten attorney or any of the following attorneys.



**Kenneth M. Jacobson**

+1.312.902.5445

[kenneth.jacobson@katten.com](mailto:kenneth.jacobson@katten.com)



**Kenneth M. Jacobson**

+1.312.902.5445

[kenneth.jacobson@katten.com](mailto:kenneth.jacobson@katten.com)



**Benzion J. Westreich**

+1.310.788.4409

[benny.westreich@katten.com](mailto:benny.westreich@katten.com)



**Benzion J. Westreich**

+1.310.788.4409

[benny.westreich@katten.com](mailto:benny.westreich@katten.com)