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2002-01-31 11:46:05

Cook County Recorder 51.50

02-00045



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AFTER RECORDING, RETURN TO:
Attn: Christine A. Hathaway
LandAmerica - Nat'l Commercial Svcs.
10 South LaSalle Street, Suite 2500
Chicago, IL 60603 CHI-29346

~~WHEN RECORDED MAIL TO:~~

prepared by
Robert J. Katz, PC
1990 M Street NW, Suite 410
Washington, DC 20036

DECLARATION OF SUBORDINATION

70610

This Declaration of Subordination made as of January 24, 2002, by THE RENAISSANCE AT HILLSIDE, INC., AN ILLINOIS CORPORATION whose address is 6633 N. Lincoln Avenue, Lincolnwood, IL 60045 (hereinafter referred to as the "Lessee").

RECITALS

WHEREAS, LASALLE BANK NATIONAL ASSOCIATION, NOT PERSONALLY, BUT SOLELY AS SUCCESSOR TRUSTEE OF COLUMBIA NATIONAL BANK OF CHICAGO AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 1, 1995, AS AMENDED BY AMENDED AND RESTATED TRUST AGREEMENT DATED JANUARY 24, 2002, AND KNOWN AS TRUST NUMBER 01-4889 (hereinafter referred to as the "Mortgagor", of which Amended and Restated Trust Agreement HILLSIDE LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP is the sole Beneficiary and is hereinafter referred to as the "Beneficiary" or the "Original Lessor") has entered into with CAMBRIDGE REALTY CAPITAL LTD. OF ILLINOIS, an Illinois Corporation (hereinafter referred to as the "Mortgagee"), a Mortgage Note (hereinafter referred to as the "Note") dated as of January 24, 2002 in the principal amount of \$9,017,300.00 (hereinafter referred to as the "Mortgage Loan") secured by a Mortgage of even date therewith (hereinafter referred to as the "Mortgage") by and between Mortgagor and Mortgagee which is to be filed for record simultaneously with the recording of this Declaration of Subordination in the Office of the Clerk of Cook County, Illinois;

WHEREAS, the Mortgagor, the Beneficiary and the Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") have entered into a Regulatory Agreement for Multifamily Housing Projects (hereinafter referred to as the "Regulatory Agreement"), dated as of January 24, 2002, which is to be filed for record simultaneously with this Declaration of Subordination in the Office of the Clerk of Cook County, Illinois;

WHEREAS, in order for the Mortgagee to make the Mortgage Loan to the Mortgagor, it is a condition that the Mortgage Loan be insured by the Secretary of Housing and Urban Development acting by and through the Federal Housing Commissioner (hereinafter referred to as the "Commissioner").

WHEREAS, it is a condition precedent to obtaining the insurance of the Mortgage Loan by the Commissioner that the: (a) Regulatory Agreement Nursing Homes dated as of January 24, 2002, by and between the Lessee and the Commissioner which is to be filed for record simultaneously with the recording of this Declaration of Subordination in the Office of the Clerk of Cook County, Illinois (hereinafter referred to as the "Regulatory Agreement Nursing Homes"); and (b) Lease Agreement dated April 10, 1995, with respect to the skilled nursing facility component of RENAISSANCE AT HILLSIDE, by and between the Original Lessor and the Lessee (hereinafter referred to as the "Lease"),

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as amended by that certain Amendment to Lease Agreement dated as of January 24, 2002, by and between the Original Lessor and the Lessee (hereinafter referred to as the "Amendment to Lease Agreement"), and thereafter Assigned by the Original Lessor to LASALLE BANK NATIONAL ASSOCIATION, NOT PERSONALLY, BUT SOLELY AS SUCCESSOR TRUSTEE OF COLUMBIA NATIONAL BANK OF CHICAGO AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 1, 1995, AS AMENDED BY AMENDED AND RESTATED TRUST AGREEMENT DATED JANUARY 24, 2002, AND KNOWN AS TRUST NUMBER 01-4889 (hereinafter referred to as the "Successor Lessor") in accordance with an Assignment of Lessor's Interest in the Lease dated as of January 24, 2002, by and between the Original Lessor and the Successor Lessor (hereinafter referred to as the "Assignment of Lease"). The Lease, the Amendment to Lease Agreement, and Assignment of Lease are hereinafter collectively referred to as the "Lease Agreement" and shall be subordinate to the Mortgage and the Regulatory Agreement.

NOW THEREFORE, in consideration of the premises and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and in order to induce the Mortgagee to make the Mortgage Loan and the Commissioner to insure said Mortgage Loan, it is hereby declared, understood and agreed as follows:

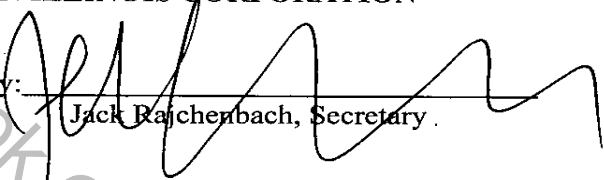
1. The Lease Agreement (including all of the terms, covenants and provisions thereof) is and shall be subject and subordinate in all respects to the Mortgage securing the Note, to the full extent of any and all amounts from time to time secured thereby and interest thereon, all with the same force and effect as if the Mortgage had been executed, delivered and recorded prior to the execution and delivery of the Lease.
2. Nothing in the Regulatory Agreement Nursing Homes and Lease Agreement is intended to alter or conflict with the terms, conditions, and provisions of Department of Housing and Urban Development (hereinafter referred to as "HUD") regulations, handbooks, administrative requirements, lender notices or the documents executed by the Mortgagor in connection with the endorsement by the Secretary of HUD of the Note; and to the extent that they do so, in the sole opinion of the Secretary of HUD, or his successors, the HUD regulations, administrative requirements, handbooks, lender notices and documents shall control and the Regulatory Agreement Nursing Homes and Lease Agreement shall be amended or deemed amended so as not to alter or conflict with the aforesaid regulations, documents, administrative requirements, handbooks or notices of the Secretary of HUD or his successors; and
3. Lessee hereby agrees and acknowledges that the Regulatory Agreement Nursing Homes and Lease Agreement are in all respects subject to and subordinate to the Note, the Mortgage, the Regulatory Agreement, and that, so long as the HUD Mortgage Insurance Contract is in force between HUD and the holder of the Mortgage, and during such further period of time as the Commissioner shall be the owner, holder or reinsurer of the mortgage, or during any time the Commissioner is obligated to insure a mortgage on the mortgaged property, the provisions of such documents and of applicable HUD regulations shall take precedence in the event of any conflict with the provisions of the Regulatory Agreement Nursing Homes and Lease Agreement.

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IN WITNESS WHEREOF, this instrument has been duly executed and delivered as of the day, month and year first above written.

**THE RENAISSANCE AT HILLSIDE, INC.,
AN ILLINOIS CORPORATION**

By: 
Jack Rajchenbach, Secretary.

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this day of January 2002 before me personally came Jack Rajchenbach, to me known, who being by me duly sworn, did depose and state that he is the Secretary of THE RENAISSANCE AT HILLSIDE, INC., AN ILLINOIS CORPORATION and did acknowledge that he executed the foregoing instrument as the act and deed of said corporation.



Notary Public



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EXHIBIT A
LEGAL DESCRIPTION
RENAISSANCE AT HILLSIDE
FEDERAL HOUSING ADMINISTRATION
PROJECT NO. 071-22039

LEGAL DESCRIPTION:

THAT PART OF THE SOUTH 1/2 OF THE NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 2 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTHWEST CORNER OF THE NORTHWEST 1/4; THENCE NORTH 00 DEGREES 04 MINUTES 43 SECONDS EAST, 1324.21 FEET; THENCE NORTH 89 DEGREES 35 MINUTES 43 SECONDS EAST, 954.00 FEET TO A 1/2 INCH IRON ROD ON THE NORTHEASTERLY RIGHT OF WAY LINE OF THE DWIGHT D. EISENHOWER EXPRESSWAY (A 370 FOOT RIGHT OF WAY), SAID IRON ROD BEING THE POINT OF BEGINNING OF THE HEREIN DESCRIBED TRACT; THENCE NORTH 89 DEGREES 35 MINUTES 43 SECONDS EAST, 691.10 FEET; THENCE SOUTH 00 DEGREES 24 MINUTES 17 SECONDS EAST AT RIGHT ANGLES TO THE PRECEEDING COURSE, A DISTANCE OF 165.00 FEET; THENCE SOUTH 89 DEGREES 35 MINUTES 43 SECONDS WEST AT RIGHT ANGLES TO THE PRECEEDING COURSE, A DISTANCE OF 65.00 FEET; THENCE SOUTH 00 DEGREES 24 MINUTES 17 SECONDS EAST AT RIGHT ANGLES TO THE PRECEEDING COURSE, A DISTANCE OF 153.17 FEET TO A POINT ON THE NORTHEASTERLY RIGHT OF WAY LINE OF THE DWIGHT D. EISENHOWER EXPRESSWAY, SAID POINT ALSO BEING ON A CURVE CONCAVE SOUTHWESTERLY; THENCE ALONG THE NORTHEASTERLY LINE OF SAID EXPRESSWAY, BEING A CURVE TO THE LEFT HAVING A RADIUS OF 1029.83 FEET AND SUBTENDING A CHORD OF LENGTH 702.31 FEET AND BEARING NORTH 63 DEGREES 27 MINUTES 57 SECONDS WEST, FOR AN ARC DISTANCE OF 703.20 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

CKA 4600 Frontage Rd.
Hillside IL
PIN 15-17-101-014