

Second Regulatory Agreement for Nursing Homes

U.S. Department of Housing and Urban Development
Office of Housing
Federal Housing Commissioner



0021305093

Project Number: 071-15025		Mortgagee: CAMBRIDGE REALTY CAPITAL LTD. OF ILLINOIS, an Illinois corporation	
Amount of Mortgage Note \$2,104,700.00		Date: As of November 1, 2002	
Mortgage Recorded (State): Illinois	County: Cook	Date: November 25, 2002	
Document No. 0021305091			

This Agreement entered into this 1st day of November, 2002, between Alden -Town Manor Rehabilitation and Health Care Center, Inc., an Illinois corporation, whose address is 4200 West Peterson Avenue, Suite 140, Chicago, Illinois 60646 (hereinafter referred to as Lessee), and the undersigned Federal Housing Commissioner (hereinafter called Commissioner).

In consideration of the consent of the Commissioner to the leasing of the aforesaid project by LaSalle Bank National Association, as Successor Trustee to American National Bank and Trust Company of Chicago, not personally, but solely as Trustee under Amended and Restated Trust Agreement, dated as of January 7, 1991, and known as Trust No. 112729-03, Mortgagor, and in order to comply with the requirements of the National Housing Act and the Regulations adopted by the Commissioner pursuant thereto. Lessees agree for themselves, their successors, heirs and assigns, that in connection with the mortgaged property and the project operated thereon and so long as the Contract of Mortgage Insurance continues in effect, 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:

- (1) The Lease shall be subject and subordinate to the mortgage securing the note or other obligation endorsed for insurance by the Commissioner;
- (2) Lessee shall make payments under lease when due;
- (3) Payments by the lessee to the lessor shall be sufficient to pay all mortgage payments including payments to reserves for taxes, insurance, etc., payments to the Reserve for Replacements, and to take care of necessary maintenance. If at the end of any calendar year, or any fiscal year if the project operates on the basis of a fiscal year, payments under the lease have not been sufficient to take care of the above items, the lessor and lessee upon request in writing from the Commissioner shall renegotiate the amounts due under the lease so that such amounts shall be sufficient to take care of such items; the Commissioner shall be furnished by the lessee, within thirty days after being called upon to do so, with a financial report in form satisfactory to the Commissioner covering the operations of the mortgaged property of the project;
- (4) The lessee shall not sublease the project or any part thereof without the consent of the Commissioner;
- (5) The lessee shall at all times maintain in full force and effect a license from the State or other licensing authority to operate the project as a nursing home, but the owner shall not be required to maintain such a license;
- (6) Lessee shall maintain in good repair and condition any parts of the project for the maintenance of which lessee is responsible under the terms of the lease;
- (7) Lessee shall not remodel, reconstruct, add to, or demolish any part of the mortgaged property or subtract from any real or personal property of the project;
- (8) Lessee shall not use the project for any purpose except the operation of a nursing home;
- (9) If a default is declared by the Commissioner under the provisions of Paragraph 10 of the Second Regulatory Agreement entered into by the lessor-mortgagor and the Commissioner on the 1st day of November, 2002, a copy of notice of default having been given to the lessee, the lessee will thereafter make all future payments under the lease to the Commissioner;
- (10) The lease may be cancelled upon thirty days written notice by the Commissioner given to the lessor and the lessee for a violation of any of the above provisions unless the violation is corrected to the satisfaction of the Commissioner within said thirty day period.
- (11) The Commissioner must approve any change in or transfer of ownership of the lessee entity, and any change in or transfer of the management operation, or control of the project.
- (12) The lessee shall not reduce or expand, allow to be reduced or expanded, or cause the expansion or reduction of the bed capacity of the project without the consent of the

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Commissioner. Any change in the bed capacity shall violate this Regulatory Agreement.

- (13) The lessee shall not enter into any management contract involving the project, unless such shall contain a provision that, in the event of default under the Regulatory Agreement as recited in paragraph 9 (above) of this Agreement, the management agreement shall be subject to termination without penalty upon written request of the Commissioner. Upon such request the lessee shall immediately arrange to terminate the contract within a period of not more than thirty (30) days and shall make arrangements satisfactory to the Commissioner for continuing proper management of the project.
- (14) The mortgaged property, equipment, buildings, plans, offices, apparatus, devices, books, contracts, records, documents, and other papers relating thereto shall at all times be maintained in reasonable condition for proper audit and subject to examination and inspection at any reasonable time by the Commissioner or his duly authorized agents. Lessee shall keep copies of all written contracts or other instruments which affect the mortgaged property, all or any of which may be subject to inspection and examination by the Commissioner or his/her duly authorized agents.
- (15) There shall be full compliance with the provisions of (1) any State or local laws prohibiting discrimination in housing on the basis of race, color, creed, or national

origin; and (2) with the Regulations of the Federal Housing Administration providing for non-discrimination and equal opportunity in housing. It is understood and agreed that failure or refusal to comply with any such provisions shall be a proper basis for the Commissioner to take any corrective action he may deem necessary including, but not limited to, the refusal to consent to a further renewal of the lease between the mortgagor-lessee and the lessee, the rejection of applications for FHA mortgage insurance and the refusal to enter into future contracts of any kind with which the lessee is identified; and further, if the lessee is a corporation or any other type of business association or organization which may fail or refuse to comply with the aforementioned provisions, the Commissioner shall have a similar right of corrective action (1) with respect to any individuals who are officers, directors, trustees, managers, partners, associates or principal stockholders of the lessee; and (2) with respect to any other type of business association, or organization with which the officers, directors, trustees, managers, partners, associates or principal stockholders of the lessee may be identified.

- (16) and (17) See inserts attached hereto and hereby made a part hereof.
- For a description of the mortgaged property, see Exhibit A attached hereto and made a part hereof. A copy of the Lease is attached hereto and made a part hereof as Exhibit B.

See Rider attached hereto and made a part hereof.

Instructions to Closing Attorney Regulatory Agreement form HUD-92466-NHL Nursing Homes Section 232

This Regulatory Agreement must be executed by the lessee and the Commissioner and recorded before the Note is endorsed for insurance.

Note that there is space left on the back of the printed form for proper execution of the instrument.

The execution by the Commissioner and by the Lessee must be in accordance with the requirements of the jurisdiction where the project is located and must permit the instrument to be recorded.

The Agreement is to be executed in the name of the Commissioner. It will be signed for the Commissioner by the Field Office Manager or authorized agent who endorses the Note for insurance.

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Recording must be at the expense of the mortgagor-owner or lessee.

Sufficient space is left on the back for the insertion of any necessary additional revisions. Any changes in the Agreement and any substantial additions shall receive the prior approval of the Assistant Secretary for Housing.

A copy of the Commissioner approved lease shall be attached to this Regulatory Agreement. If the lease has already been filed or recorded, re-recording will be unnecessary, and a copy of the recorded lease (with recording data) will be attached following recording of the form HUD-92466-NHL.

The Agreement must be executed by the Lessee prior to execution by the Commissioner.

form HUD-92466-NHL 91/92
Ref Handbook 4600.1

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IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date first hereinabove written.

LESSEE:

**ALDEN - TOWN MANOR
REHABILITATION AND HEALTH
CARE CENTER, INC., an Illinois
corporation**

By: _____

Joan Carl
Joan Carl, Vice President

0021305093

COMMISSIONER:

**SECRETARY OF HOUSING AND
URBAN DEVELOPMENT ACTING BY
AND THROUGH THE FEDERAL
HOUSING COMMISSIONER**

By: _____

Edward J. Hinsberger
Edward J. Hinsberger

Name: _____

Director, Chicago Multifamily HUB

Its: _____

Authorized Agent

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**INSERT TO
REGULATORY AGREEMENT FOR NURSING HOMES
ALDEN TOWN MANOR REHABILITATION AND HEALTH CARE CENTER
CICERO, ILLINOIS
FHA PROJECT NO. 071-15025**

- (16) Lessee agrees that any and all future lessees and any sublessees, if and when approved, must execute a Regulatory Agreement in the form prescribed by the Commissioner.
- (17) If required by the Commissioner, Lessee agrees to submit annual financial statements to the Real Estate Assessment Center of the Department of Housing and Urban Development ("HUD") within sixty (60) days after the close of the fiscal year of the Project or to such other department or at such later date as may be prescribed in writing by HUD.

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RIDER ATTACHED TO AND MADE A PART OF
SECOND REGULATORY AGREEMENT FOR NURSING HOMES 305093
(THE "REGULATORY AGREEMENT"),
DATED AS OF NOVEMBER 1, 2002,
FHA PROJECT NO. 071-15025

- R-1 Scope of Rider. This Rider is attached to and made a part of the Regulatory Agreement and all references to the Regulatory Agreement hereto shall be deemed to include this Rider. To the extent of any conflict or inconsistency between the terms of the Regulatory Agreement and this Rider, the terms of this Rider shall control. All capitalized terms not defined in this Rider shall have the same meanings ascribed thereto in the Regulatory Agreement.
- R-2 Subordination. Notwithstanding any provision of this Regulatory Agreement, the certain Second Mortgage (the "Mortgage"), dated as of November 1, 2002, executed and delivered by LaSalle Bank National Association, as Successor Trustee to American National Bank and Trust Company of Chicago, not personally, but solely as Trustee under Amended and Restated Trust Agreement, dated as of January 7, 1991, and known as Trust No. 112729-03 (the "Land Trustee"), to Cambridge Realty Capital of Illinois, an Illinois corporation (the "Second Mortgage"), which is recorded with the Land Records of Cook County, as security for the repayment of that certain Second Mortgage Note, dated as of November 1, 2002, executed by the Land Trustee in favor of the Second Mortgagee, in the original principal amount of TWO MILLION ONE HUNDRED FOUR THOUSAND SEVEN HUNDRED AND NO/100 DOLLARS (\$2,104,700.00), or any other document executed by the Land Trustee, Alden Cicero Associates Limited Partnership, an Illinois limited partnership (the "Beneficiary"), or Alden Town Manor Rehabilitation and Health Care Center, Inc., an Illinois corporation ("Lessee"), in favor of the Second Mortgagee or the Commissioner (collectively, the "Loan Documents") to the contrary, this Regulatory Agreement and all of the respective rights and powers of the Owners, the Second Mortgagee and the Commissioner, hereunder, are subject and subordinate to the rights and liens of Cambridge Realty Capital Ltd. of Illinois, an Illinois corporation, as holder of the following documents (in such capacity, the "First Mortgage"), and Secretary of Housing and Urban Development of Washington, D.C., acting by and through the Federal Housing Commissioner (the "Secretary"), as the insurer of the First Mortgage (as defined herein) Secretary of Housing and Urban Development of Washington, D.C., acting by and through the Federal Housing Commissioner (the "Secretary"):
- (a) that certain Mortgage, dated as of November 1, 2002, executed and delivered by the Land Trustee to the First Mortgagee, which is to be recorded against the Property in the Official Records prior to recordation of the Mortgage (the "First Mortgage");
 - (b) that certain Regulatory Agreement for Multifamily Housing Projects, dated as of November 1, 2002, by and among the Land Trustee,

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Beneficiary, and the Secretary, which is to be recorded against the Property in the Official Records prior to the recordation of the Mortgage (the "First Regulatory Agreement");

- (c) that certain Security Agreement (the "Land Trustee ~~First Security~~ Agreement"), dated as of November 1, 2002, by and among the Land Trustee, First Mortgagee and the Secretary, its successors and assigns as their interests may appear ("HUD"), and (ii) that certain Security Agreement (the "Beneficiary First Security Agreement"), dated as of November 1, 2002, by and among Beneficiary, the First Mortgagee and HUD;
- (d) those certain UCC Financing Statements (collectively, the "Land Trustee First UCC Financing Statements"), executed by the Land Trustee in favor of First Mortgagee and HUD and filed or recorded, as applicable, with the Secretary of State of Illinois and the Official Records, and (ii) those certain UCC Financing Statements (collectively, the "Beneficiary First UCC Financing Statements"), executed by Beneficiary in favor of the First Mortgagee and HUD and filed or recorded, as applicable, with the Secretary of State of Illinois and the Official Records; and
- (e) that certain Regulatory Agreement Nursing Home, dated as of November 1, 2002, by and between Lessee and the Commissioner, which is to be recorded against the Property in the Official Records prior to the recordation of the Mortgage (the "First Nursing Home Regulatory Agreement").

For purposes hereof, the First Mortgage, the First Regulatory Agreement, the First Land Trust Security Agreement, the First Beneficiary Security Agreement, the First Land Trustee UCC Financing Statements, the First Beneficiary UCC Financing Statements, the First Nursing Home Regulatory Agreement and the First Mortgage Note (as hereinafter defined) shall hereinafter be referred to collectively as the "First Mortgage Loan Documents". The First Mortgage Loan Documents are held by the First Mortgagee as security for the repayment of that certain Mortgage Note, dated as of November 1, 2002, executed by the Land Trustee in favor of the First Mortgagee in the original principal amount of Ten Million Six Hundred Seventeen Thousand Six Hundred and No/100 Dollars (\$10,617,600.00) (the "First Note"). A default under any of the First Mortgage Loan Documents shall constitute a default under the Loan Documents and shall entitle the Second Mortgagee and/or HUD to exercise any of their rights and remedies thereunder. In addition, it is understood and agreed that the subordination of the rights and powers of the Owners and the Second Mortgagee as hereinabove provided shall inure to the benefit of the First Mortgagee, and its successors and assigns.

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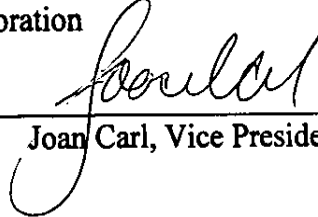
IN WITNESS WHEREOF, the parties hereto have set their hands and seals on the date first hereinabove written.

LESSEE:

0021305093

**ALDEN - TOWN MANOR
REHABILITATION AND HEALTH
CARE CENTER, INC., an Illinois
corporation**

By:



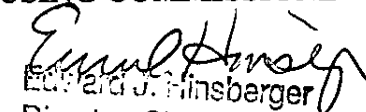
Joan Carl, Vice President

COMMISSIONER:

**SECRETARY OF HOUSING AND
URBAN DEVELOPMENT ACTING BY
AND THROUGH THE FEDERAL
HOUSING COMMISSIONER**

joa

By:



Edward J. Hinsberger
Name: Director, Chicago Multifamily HUB

Its: Authorized Agent

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

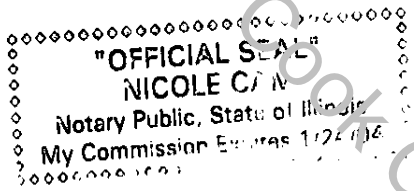
I, a Notary Public, in and for the County of Cook, State of Illinois, do hereby certify that JOAN CARL, personally known to me to be the same person whose name is subscribed to the foregoing instrument as Vice President of ALDEN - TOWN MANOR REHABILITATION AND HEALTH CARE CENTER, INC., an Illinois corporation, appeared before me in person and acknowledged and sworn that the statements set forth in the foregoing Agreement are true and correct, and that she signed the same as her free and voluntary act and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal this 21st day of November 2002.

N. Kay

Notary Public

My Commission Expires: 1/24/04



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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 25 day of November, 2002, before me appeared Edward Hinsberger who, being duly sworn, did say that he/she is the duly appointed Authorized Agent and the person who executed the foregoing instrument by virtue of the authority vested in him/her and acknowledged the same to be his/her free and voluntary act and deed as Authorized Agent for and on behalf of the SECRETARY OF HOUSING AND URBAN DEVELOPMENT.

IN TESTIMONY HEREOF, I have hereunto set my hand and affixed by Notarial Seal on the day and year last above written.

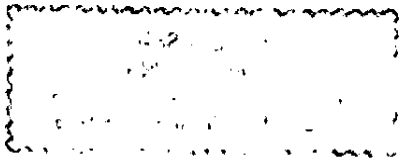
Sharon A. King
Notary Public

My Commission Expires: 9-12-06



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EXHIBIT A

LEGAL DESCRIPTION

0021305093

PARCEL 1:

LOTS 16 TO 20, INCLUSIVE IN BLOCK 6 IN SARGENT'S ADDITION TO CLYDE, BEING A SUBDIVISION OF THAT PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THAT PART OF VACATED 61ST COURT AND VACATED ALLEY DESCRIBED AS BEGINNING AT THE SOUTHWEST CORNER OF LOT 20 IN BLOCK 6 IN SARGENT'S ADDITION TO CLYDE, AFORESAID; THENCE SOUTHWESTERLY ALONG THE NORTHERLY RIGHT OF WAY LINE OF OGDEN AVENUE, 33.00 FEET TO THE CENTER LINE OF VACATED 61ST COURT; THENCE NORTHWESTERLY ALONG SAID CENTER LINE, 158.00 FEET TO THE SOUTHWESTERLY EXTENSION OF THE CENTER LINE OF THE VACATED ALLEY; THENCE NORTHEASTERLY ALONG SAID CENTER LINE TO AN INTERSECTION WITH THE NORTHWESTERLY EXTENSION OF THE NORTHEASTERLY LINE OF LOT 16 IN BLOCK 6 OF SAID SARGENT'S ADDITION TO CLYDE; THENCE SOUTHEASTERLY ALONG SAID LAST DESCRIBED LINE, 8.00 FEET TO THE NORTHEASTERLY CORNER OF SAID LOT 16 IN BLOCK 6; THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF LOTS 16, 17, 18, 19 AND 20 IN SAID BLOCK 6 TO THE NORTHWESTERLY CORNER OF SAID LOT 20 IN BLOCK 6 IN SARGENT'S ADDITION TO CLYDE, AFORESAID; THENCE SOUTHEASTERLY ALONG THE WESTERLY LINE OF SAID LOT 20, 150.00 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 15 TO 18, INCLUSIVE, IN BLOCK 5 IN SARGENT'S ADDITION TO CLYDE, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THAT PART OF VACATED 61ST COURT AND VACATED ALLEY DESCRIBED AS BEGINNING AT THE NORTHWESTERLY CORNER OF LOT 18 IN BLOCK 5 IN SARGENT'S ADDITION TO CLYDE, AFORESAID; THENCE NORTHWESTERLY ALONG THE WESTERLY LINE OF SAID LOT 18 EXTENDED, 8.00 FEET TO THE CENTER LINE OF THE VACATED ALLEY; THENCE NORTHEASTERLY ALONG SAID CENTER LINE AND ALONG SAID CENTER LINE EXTENDED, TO THE CENTER LINE OF VACATED 61ST COURT; THENCE SOUTHEASTERLY ALONG SAID CENTER LINE TO THE NORTHERLY RIGHT OF WAY LINE OF OGDEN AVENUE; THENCE SOUTHWESTERLY ALONG SAID NORTHERLY RIGHT OF WAY LINE, 33.00 FEET TO THE EASTERLY LINE OF BLOCK 5 IN SAID SARGENT'S ADDITION TO CLYDE; THENCE NORTHWESTERLY ALONG SAID EASTERLY LINE, 150.00 FEET TO THE NORTHEASTERLY CORNER OF LOT 15 IN SAID BLOCK 5; THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF LOTS 15, 16, 17 AND 18 IN SAID BLOCK 5 TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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PARCEL 3:

LOTS 11 TO 14, INCLUSIVE, IN BLOCK 5 IN SARGENT'S ADDITION TO CLYDE, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THAT PART OF VACATED 61ST COURT AND VACATED ALLEY DESCRIBED AS BEGINNING AT THE NORTHWEST CORNER OF LOT 11 IN BLOCK 5 IN SARGENT'S ADDITION TO CLYDE, AFORESAID; THENCE WEST ALONG THE WESTERLY EXTENSION OF THE NORTH LINE OF SAID LOT 11, 8.00 FEET TO THE CENTER LINE OF THE VACATED ALLEY; THENCE SOUTH ALONG SAID CENTER LINE TO THE CENTER LINE OF THE INTERSECTING 16 FOOT WIDE VACATED ALLEY, BEING A LINE 8.00 FEET SOUTHERLY OF AND PARALLEL WITH THE SOUTHEASTERLY LINE OF LOT 14 IN SAID BLOCK 5; THENCE NORTHEASTERLY ALONG SAID CENTER LINE AND ALONG SAID CENTER LINE EXTENDED TO THE CENTER LINE OF VACATED 61ST COURT; THENCE NORTH ALONG SAID CENTER LINE TO AN INTERSECTION WITH THE EASTERLY EXTENSION OF THE NORTH LINE, OF LOT 11 IN BLOCK 5 IN SARGENT'S ADDITION TO CLYDE; THENCE WEST ALONG SAID LAST DESCRIBED LINE, 33.00 FEET TO THE NORTHEAST CORNER OF LOT 11 IN BLOCK 5, IN SAID BLOCK 5 TO THE SOUTHEAST CORNER OF LOT 14 IN SAID BLOCK 5; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID LOT 14 TO THE SOUTHWESTERLY CORNER OF SAID LOT 14; THENCE NORTH ALONG THE WEST LINE OF LOTS 11 TO 14, INCLUSIVE, IN SAID BLOCK 5 TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

P.I.N. Nos. 16-32-116-020 Vol. 046
 16-32-116-021 Vol. 046
 16-32-116-022 Vol. 046
 16-32-116-023 Vol. 046
 16-32-116-024 Vol. 046
 16-32-115-026 Vol. 046
 16-32-115-017 Vol. 046
 16-32-115-018 Vol. 046
 16-32-115-019 Vol. 046
 16-32-115-020 Vol. 046

Address: 6120 West Ogden Avenue, Cicero, Illinois 60605

**This document prepared by and
after recording shall be returned to:**

Patrice Harris Talbott, Esq.
Piper Rudnick LLP
1200 Nineteenth Street, N.W.
Washington, D.C. 20036

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EXHIBIT B

0021305093

NURSING HOME LEASE

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Exhibit B

LEASE

THIS LEASE entered into as of the 1st day of June, 1993, between the American National Bank and Trust Company of Chicago as Trustee under a Trust Agreement dated January 1, 1991, and Trust No. 112729-03 (hereinafter called "Lessor") and ALDEN TOWN MANOR NURSING CENTER, INC., a corporation created and existing under the laws of the State of Illinois (hereinafter called "Lessee").

0021361033

W I T N E S S E T H:

LESSOR for and in consideration of the covenants and agreements hereinafter mentioned to be kept and performed by the Lessee does hereby demise and lease unto the Lessee the following described property and premises: Legal description and common address attached hereto as Exhibit A, to be used for a nursing home or for an intermediate care center, together with Lessor's easements and appurtenances in adjoining and adjacent land, highways, roads, streets, lanes, whether public or private, reasonably required for the installation, maintenance, operation and service of sewer, water, gas, power and other utility lines and for driveways and approaches to and from abutting highways for the use and benefit of the above-described parcel of real estate.

NOW THEREFORE, in consideration of the mutual promises herein contained, the parties do hereby agree as follows:

1. DESCRIPTION. Lessor has constructed a 249-bed facility pursuant to plans and specifications under the name and style

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of ALDEN TOWN MANOR NURSING CENTER, INC. and pursuant to a Federal Housing Administration commitment for insurance of advances. Lessee agrees that it is familiar with said plans and that it agrees to accept such nursing home building as approved by the architect and the Federal Housing Administration.

2. TERM. The term of this Lease shall commence on the 1st day of June, 1993, and shall end on the 31st day of May, 2002, unless sooner terminated, and Lessee is hereby granted an option to extend this Lease for an additional three (3) ten (10) year periods on substantially the same terms as provided in this Lease. Lessee must notify Lessor in writing of its election to exercise any of the option extensions at least six months prior to the expiration of the current lease term.

3. Regulatory Agreement dated February 6, 1991, between Alden Cicero Associates Limited Partnership and the U.S. Department of Housing and Urban Development and Mortgage is attached hereto and hereby made a part hereof; to the extent that any Provisions of this Lease Agreement conflict, the Regulatory Agreement and Mortgage shall be paramount and apply.

4. Lessee hereby agrees that Lessee is subject to any restrictions on the use of Surplus cash as defined in the Regulatory Agreement and as are applicable to Lessor.

5. (a) BASE RENT. Lessee shall pay to Lessor base rent for the premises in advance upon the first day of each and every month pursuant to the following:

I. February 6, 1991 through Day of Mortgagors Cut Off

NONE \$0.00

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II. First Day After Mortgagors Cut Off Date Through June 30, 2002

ONE MILLION TWO HUNDRED THOUSAND DOLLARS AND 00/100 CENTS (\$1,200,000.00) per year or ONE HUNDRED THOUSAND DOLLARS AND 00/100 CENTS (\$100,000.00) per month.

(b) All rent shall be payable at the Office of Alden Management Services Inc., 4200 West Peterson Avenue, Chicago, Illinois 60646, or wherever Lessor shall from time to time direct.

(c) Please see Number 9, ESCROWS, as additional rent.

6. On or before January 1, 2002, or on the expiration of any additional period, should Lessee choose to exercise its option to renew this Lease for the additional ten-year term under the provisions of paragraph 2 hereinabove, then, at the sole option of Lessor, the terms of this Lease pertaining to the rental schedule shall be renegotiated to reflect more realistically the then current rental market of such facilities as this Nursing Home, all subject to approval of Federal Housing Administration Commissioner. All other terms of this Lease shall remain in full force and effect. Any increase in rentals arrived at pursuant to said renegotiation, shall be paid to Lessor as per the new schedule starting with the payment on the first day of June, 2002.

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7. REAL ESTATE TAXES. Lessor agrees to pay to the public authorities charged with collection thereof, promptly as the same become due and payable, all taxes, assessments and other public charges levied upon or assessed against the demised premises and/or any building, structure, fixture or improvements now or hereafter located thereon, or arising in respect of the occupancy, use or possession of the leased premises, and which become due and payable.

8. FUEL, UTILITY SERVICES. Lessee hereby agrees to pay from operating income for all fuel, electricity, heat or power, gas and water, or any other utility charges incurred upon the demised premises.

9. ESCROWS. Lessee further agrees to deposit to escrow accounts as directed by Lessor any additional sums required for payment of Real Estate Taxes and premium for property insurance. This will be considered as rent.

10. COMPLIANCE WITH LAW. Lessee covenants that in the use and occupation of the demised premises and the buildings structures, fixtures and improvements thereon, and the sidewalks adjacent thereto, together with vaults, streets, alleys and river banks, Lessee will comply with all authorities in any manner affecting the demises premises or any building, structures, fixtures and improvements thereon or the use thereof. Lessee further agrees that it will not permit any unlawful occupation, business or trade to be conducted on said premises, or any use to be made thereof contrary to any law, ordinance or regulation as aforesaid with respect thereto.

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11. REPAIRS, ALTERATIONS AND ADDITIONS. The Lessee shall be further obliged to pay any expense from the operating income for repairing any improvements upon the demised premises, including scavenger, elevator maintenance, extermination and landscaping, and Lessee will, as its own expense, make all repairs and replacements necessary to maintain the same in a good, tenantable and wholesome condition, complying with all applicable laws, regulations, ordinances and requirements of all authorities having jurisdiction. Lessor, however, is not hereby relieved of responsibility of maintenance assumed by it pursuant to its mortgage and Regulatory Agreement. Lessee shall pay any costs relative to repair or replacement of furniture and fixtures from the date of this Agreement, and Lessor agrees to allow Lessee use of any replacement reserves for same upon proper notice. Lessee shall not remodel, reconstruct, add to, or demolish any part of the mortgaged property, or subtract from any real estate or personal property without the consent of the Federal Housing Commissioner.

12. OTHER OPERATING EXPENSES. Lessee agrees to pay from the Operating Income all other operational expenses of the Nursing Home.

13. SURRENDER. Lessee agrees that, upon termination by lapse of time or otherwise of the term hereby created, or any extension thereof, it will deliver and surrender up to the Lessor said premises in good condition and repair; any damage, deterioration or destruction resulting from ordinary wear and tear, loss by fire, casualty and causes beyond Lessee's control, are excepted.

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14. LIENS. Lessee will not permit any mechanics, laborers', or materialmen's liens to stand against the demised premises for any labor or material furnished to Lessee or claimed to have been furnished to Lessee in connection with work of any character performed or claimed to have been performed on said premises by or at the direction or sufferance of Lessee, but nothing herein contained shall in any way or otherwise prejudice the rights of Lessee to contest to final judgment or decree any such lien. In default of Lessee procuring the discharge of any such lien or contesting such lien as above provided, by bond or any other method, Lessor may without further notice procure the discharge thereof by bonding, payment or otherwise, and all costs and expenses to which Lessor may be put in obtaining such discharge shall become due as additional rent upon the next rent day.

15. INSURANCE. During the term hereof, Lessee at its own cost and expense shall:

- (a) Keep all buildings and improvements and equipment on, in or appurtenant to the premises, including all alterations, additions, and improvements insured against loss or damage by fire and all standard extended coverage and flood and water damage in an amount required by the FHA.

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- (b) Provide and keep in force the public liability, and boiler insurance policies protecting Lessor and the Lessee against any and all liability and in the amounts of not less than \$500,000.00 in respect to any one accident or disaster and in the amount of not less than \$500,000.00 in respect to injuries to any one person;
- (c) All premiums and charges for all of said policies shall be paid by Lessee and if Lessee shall fail to make any such payment when due, or carry any such policy, Lessor may, but shall not be obligated to, make such payment or carry such policy, and the amount paid by lessor, with interest thereof, shall be repaid to Lessor, by Lessee on demand, and all such amounts so repayable together with such interest, shall be considered as an addition of rent payable hereunder, for the collection of which Lessor shall have all of the remedies provided in any other paragraph herein, or by law provided for the collection of rent. Payment by Lessor of any such premium or the carrying by Lessor of any such policy shall not be deemed to waive or release the default of Lessee with respect thereto;

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- (d) Ten (10) days prior to the expiration of such policy, Lessee shall deliver a binder renewing each such policy, which binder shall provide that at least ten (10) days' written notice of any change in or cancellation thereof shall be given by the insurance company to Lessor. Lessee shall promptly pay the premium for renewal insurance and deliver to Lessor the original policy or certificate thereof and duplicate receipt evidencing payment thereof:
- (e) Lessee shall not violate or permit to be violated any of the conditions or provisions of any such policy, and Lessee shall so perform and satisfy the requirements of the companies writing such policies that at all times companies of good standing satisfactory to Lessor shall be willing to write and/or continue such insurance.
- (f) Lessee and Lessor shall cooperate with each other in connection with the collection of any insurance monies that may be due in the event of loss and Lessor shall execute and deliver to Lessee such proofs of loss and other instruments which may be required for the purpose of obtaining the recovery of any such insurance monies;
- (g) All policies specified in this paragraph shall cover Lessee, Lessor, and with respect to subparagraph (a) all mortgages of Lessor as their interests may appear.

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16. NO ABATEMENT OF RENT. The partial destruction of any building on the premises, by fire, elements, or other causes shall not in any manner affect this Lease or the rights and obligations of Lessee thereunder and the rent shall not abate, diminish or cease during reconstruction.

17. DAMAGE OR DESTRUCTION. If the premises covered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held, the amounts paid by any insurance company in pursuance of the contract of insurance to the extent of the indebtedness then remaining unpaid, shall be paid to the Mortgagee, and, at its option, may be applied to the debt or released for the repairing or rebuilding of the premises.

18. ALCOHOLIC BEVERAGES. Lessee shall not sell any alcoholic liquors or beverages on said premises or permit any person who occupies the same to do so without written consent of Lessor.

19. CONDEMNATION. If the demised premises shall be condemned or taken in its entirety for a public or quasi-public use, all awards or compensation therefor shall be paid to and become the property of Mortgagee, and this Lease and all obligations hereunder shall terminate as of the date of taking. If only a portion of the demised premises shall be condemned or taken for a public or quasi-public use, any and all awards or compensation arising from such condemnation or taking shall be paid to the Mortgagee, and this Lease shall continue without modification, unless and except that if so much or such portion

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of the premises be taken that the taking shall materially interfere with the efficient operation of its business by Lessee on the premises, the judgment of the Lessee as to the materiality of such interference being conclusive, then at any time within sixty (60) days after taking of such portion of the premises, Lessee may terminate this Lease by serving upon the Lessor written notice of its intention to do so. In the event this Lease is terminated, then any and all awards or compensation arising from such condemnation or taking shall be paid to and become the sole property of the Mortgagee and all obligations hereunder shall cease as of the date of termination. Nothing contained herein shall be construed to preclude the Lessee from prosecuting any claim directly against the condemning authority in such condemnation proceedings for loss of business, or depreciation to, damage to, or cost of removal of, or for the value of stock, trade fixtures, furniture and other personal property belonging to the Lessee; provided, however, that no such claim shall diminish or otherwise adversely affect the Lessor's award.

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20. ASSIGNMENT AND SUBLETTING. Lessee may not assign or encumber this Lease or its rights hereunder without first obtaining the written consent of Lessor and the Federal Housing commissioner. In such event, Lessee shall remain liable for the payment of all rent required to be paid hereunder and for the performance of all terms, covenants and conditions herein undertaken by Lessee. Lessee shall not have the right to sublet the operation of or leased premises or any portion thereof, at

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any time during the term of this Lease without first obtaining the written consent of the Lessor and the Federal Housing Commissioner.

21. HOLDING OVER. In the event Lessee continues to occupy the premises after the last day of the term hereby created, or after the last day of any extension of said term, and the Lessor elects to accept rent thereafter, a tenancy from month to month only shall be created and not for any longer period without the written concurrence of Lessee.

22. ABANDONMENT AND RELETTING. If Lessee shall abandon or vacate said premises, the same may be re-let by Lessor for such rent, and upon such terms as to him may seem fit; and if a sufficient sum shall not be thus realized monthly after paying the expense of such re-letting and collecting, to satisfy the rent hereby reserved, Lessee agrees to satisfy and pay all deficiencies during each month of the remaining period of this Lease.

23. SUBROGATION WAIVER. Lessor hereby waives any and all claims against Lessee, its assignees or sub-lessee for damage or destruction of any improvements on the leased premises (whether or not resulting from the fault or negligence of lessee, its assignees or sub-lessee or their agents or employees) which improvements are to be covered by said insurance by Lessee and the parties agrees that said certificate of insurance will recognize this waiver of Lessor by a good and sufficient waiver of subrogation provision, provided, however, that nothing herein shall be construed as waiving Lessor's right to any insurance proceeds under policies provided by Lessee.

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24. RE-ENTRY, ETC. If default be made in the payment of the above rent, or any part thereof, or in any of the covenants herein contained to be kept by the Lessee, and such default shall continue for a period of sixty (60) days, it shall be lawful for Lessor at any time, at his election and without notice to declare said term ended and to reenter said premises or any part thereof, with or without process of law, and to remove Lessee or any persons occupying the same, without prejudice to any remedies which might otherwise be used for arrears of rent, and Lessor shall have a valid and first lien upon all personal property which Lessee owns or may hereafter acquire or have any interest in, whether exempt by law or not, as security for payment of the rent herein reserved.

25. PAYMENT OF FEES. Lessee will pay and discharge all reasonable costs, attorneys' fees and expenses that may be incurred by Lessor in enforcing the covenants and agreements of this Lease; and this Lease and all covenants and agreements herein contained shall be binding upon, apply and inure to the respective heirs, executors, successors, administrators, and assigns of all parties to this Lease.

26. LESSOR'S TITLE. Lessor's title is, and always shall be, paramount to the title and interest of Lessee, and nothing herein contained shall empower the Lessee to do any act which can or shall encumber the title of the Lessor. Lessee agrees, on reasonable request from Lessor, to subordinate its interest in this Lease to any mortgage may now or hereafter encumber

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the demised premises. If Lessee fails to execute such interest of subordination within a reasonable time, Lessor is hereby granted a limited Power of Attorney to execute same in name of Lessee. This Lease (and lessee's interest in all personal property) shall be subject and subordinate to the Mortgage securing the Note or other obligations endorsed for insurance by FHA/HUD. Nothing contained herein shall relieve the lessor of any obligations under any Mortgage securing a Note insured by FHA/HUD.

27. Lessee shall deliver to Lessor at the end of each fiscal year, or more often as requested by Lessor, the books of its operations.

28. LICENSE. Lessee at all times shall maintain in force and effect a license from the State of Illinois, to operating a nursing home, and shall at all times employ a duly qualified nursing home administrator to operate the Home.

THIS INSTRUMENT is executed by American National Bank and Trust Company of Chicago, not personally but as Trustee under Trust Agreement dated January 1, 1991, known as Trust No. 112729-03 in the exercise of the power and authority conferred upon and vested in said Trustee as such, and it is expressly understood and agreed that nothing in this Instrument contained shall be construed as creating any monetary liability on said Trustee personally to apply to any indebtedness accruing thereunder, or any personal monetary liability on said Trustee with respect to the performance of any covenant, either

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expressed or implied, in said instrument (all such personal monetary liability, if any, being expressly waived by the parties hereto and by every person now or hereafter claiming any right or security thereunder), except that the said Trustee shall be liable for funds or property of the project coming into its hands, which by the provisions of a certain Regulatory Agreement which may be entered into by said Trustee with the Secretary of Housing and Urban Development it is not entitled to retain.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals the day and year first above written.

AMERICAN NATIONAL BANK AND TRUST COMPANY
OF CHICAGO AS TRUSTEE UNDER TRUST
AGREEMENT NO. 112729-03 as Lessor

By: [Signature]
Second Vice President

ATTEST:
[Signature]
Secretary

ALDEN TOWN MANOR NURSING CENTER, INC.
an Illinois Corporation

By: [Signature]

ATTEST:
[Signature]
Secretary

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**EXCULPATORY PROVISIONS
FOR ALDEN NURSING CENTER OF CICERO
FEDERAL HOUSING ADMINISTRATION
PROJECT NO. 071-15020**

This document is executed by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, NOT PERSONALLY, BUT SOLELY AS TRUSTEE UNDER AMENDED AND RESTATED TRUST AGREEMENT DATED JANUARY 7, 1991 AND KNOWN AS TRUST NO. 112729-03 in the exercise of the power and authority conferred upon and vested in said Trustee as such, and it is expressly understood and agreed that nothing in this document contained shall be construed as creating any monetary liability on said Trustee personally, to pay any indebtedness occurring thereunder, or any personal monetary liability on said Trustee with respect to the performance of any warranty or covenant, either expressed or implied, in said document (all such personal liability, if any, being expressly waived by the parties hereto and by every person now or hereafter claiming any right or security thereunder) except that the said Trustee shall be liable for funds or property of the project coming into its hand, which by the Regulatory Agreement Housing for Multifamily Housing Projects, it is not entitled to retain.

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LEASE AMENDMENT NO. 1
TO
ALDEN NURSING CENTER OF CICERO LEASE

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THIS LEASE AMENDMENT NO. 1 TO ALDEN NURSING CENTER OF CICERO LEASE (this "Lease Amendment") is made and entered into as of this 20th day of June, 1997, by and between AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under Amended and Restated Trust Agreement dated January 7, 1991, as amended, and known as Trust No. 112729-03 ("Lessor") and ALDEN - TOWN MANOR REHABILITATION AND HEALTH CARE CENTER, INC., an Illinois corporation, formally known as Alden Town Manor Nursing Center, Inc. ("Lessee").

W I T N E S S E T H:

WHEREAS, Lessor is the owner of certain real property located in the Town of Cicero in Cook County of the State of Illinois on which is constructed a certain nursing home known as Alden Nursing Center of Cicero, FHA Project No. 071-22014, hereinafter referred to collectively as the "Premises";

WHEREAS, Lessor executed a certain Mortgage Note (the "Original Note") dated February 1, 1991, in the original principal amount of Nine Million Eight Hundred Four Thousand Three Hundred and 00/100 Dollars (\$9,804,300.00) made by Lessor, payable to the order of Related Mortgage Corporation, a Delaware corporation ("Related") (the "Original Mortgage Loan");

WHEREAS, the Original Mortgage Loan was insured by the U.S. Department of Housing and Urban Development ("HUD") under Section 232 of the National Housing Act, as amended.

WHEREAS, the Original Mortgage Loan was assigned by Related to Peregrine Mortgage Company and by Peregrine Mortgage Company to Heartland Savings Bank, F.S.B., a federal savings bank ("Heartland");

WHEREAS, subsequent to incurring the indebtedness evidenced secured by the Original Loan Documents, Lessor entered into a certain Mortgage Note (the "Supplemental Note") dated June 20, 1995, in the original principal amount of Two Million One Hundred Four Thousand Seven Hundred and 00/100 Dollars (\$2,104,700.00) payable to the order of Cambridge Realty Capital Ltd. of Illinois, an Illinois corporation ("Cambridge") (the "Supplemental Mortgage Loan");

WHEREAS, the Supplemental Loan is insured by HUD under Section 223(d) of the National Housing Act, as amended.

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WHEREAS, the Supplemental Loan was assigned by Cambridge to WMF/Huntoon, Paige Associates, Ltd., a Delaware corporation.

WHEREAS, pursuant to a Commitment for Insurance Upon Completion, dated May 9, 1997, from Edward Hinsberger, Director, Multifamily Housing Division, HUD to Cambridge (the "HUD Commitment"), the Lessor has obtained a HUD insured first mortgage loan in the amount of \$10,617,600.00 (the "New Loan") under Section 232 pursuant to Section 207 and Section 223(f) of the National Housing Act, as amended, for the purpose of using the proceeds of said New Loan to satisfy the Original Loan;

WHEREAS, HUD has required an amendment to the Lease as a condition of endorsement of the New Loan for insurance.

WHEREAS, Lessor and Lessee previously have executed and entered into that certain Alden Nursing Center of Cicero Lease (the "Lease"), dated June 1, 1993 for the Premises;

WHEREAS, Lessor and Lessee currently desire to amend the Lease to (a) reference the New Loan and the Supplemental Loan; (b) reference the new name of Lessee; (c) increase the Base Rent (as defined in the Lease); (d) subordinate Lessee's interest in the Lease to the New Loan and the Supplemental Loan; and (e) amend certain other terms and conditions of the Lease as hereinafter more particularly set forth.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree and amend the Lease in the following respects only:

1. **Integration of This Lease Amendment in the Lease.** This Lease Amendment and the Lease shall, for all purposes, be deemed to be one (1) instrument. In the event there arises a conflict between the terms and provisions of this Lease Amendment and the terms and provisions of the Lease, the terms and provisions of this Lease Amendment shall, in all incidents, control, govern and prevail. Except as expressly defined herein, all words, terms and phrases defined in the Lease shall have the same meaning in this Lease Amendment as are ascribed to said words, terms and phrases in the Lease. The Lease and this Lease Amendment collectively shall sometimes herein be referred to as the "Amended Lease".
2. **Effective Date.** The terms and provisions of this Lease Amendment shall be effective commencing as of June 1, 1997 (the "Effective Date").
3. **Lessee.** Commencing as of the Effective Date, the first paragraph of the Lease is hereby amended and restated in its entirety as follows:

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THIS LEASE entered into as of the 1st day of June, 1993, between the American National Bank and Trust Company of Chicago as Trustee under Amended and Restated Trust Agreement dated January 1, 1991, as amended, and known as Trust No. 112729-03 (hereinafter called "Lessor") and ALDEN-TOWN MANOR REHABILITATION AND HEALTH CARE CENTER, INC., a corporation created and existing under the laws of the State of Illinois (hereinafter called "Lessor"),

4. **Regulatory Agreements.** Commencing as of the Effective Date, paragraph number three (3) on page two (2) of the Lease is hereby amended and restated in its entirety as follows:

To the extent any provisions of this Lease Agreement conflict with:

a) that certain Mortgage, dated as of June 20, 1997, by and between Lessor and Cambridge Realty Capital Ltd. of Illinois (the "New Mortgage");

b) that certain Regulatory Agreement for Multifamily Housing Projects dated as of June 20, 1997, by and among Lessor, Alden-Cicero Associates Limited Partnership (the "Beneficiary") and the U.S. Department of Housing and Urban Development ("HUD" and or the "Commissioner") (the "New Regulatory Agreement");

c) that certain Regulatory Agreement Nursing Homes, dated as of June 20, 1997, by and between Lessee and the Commissioner (the "New Nursing Home Regulatory Agreement");

d) that certain Supplemental Mortgage (the "Supplemental Mortgage"), dated as of June 20, 1995, executed and delivered by Lessor to Cambridge;

e) that certain Regulatory Agreement for Multifamily Projects (the "Supplemental Regulatory Agreement"), dated June 20, 1995, by and among Lessor, Beneficiary and HUD; or

f) that certain Regulatory Agreement Nursing Homes (the "Supplemental Nursing Home Regulatory Agreement"), dated June 20, 1995, by and between Lessee and the Commissioner;

the terms and provisions of the New Mortgage, the New Regulatory Agreement, the New Nursing Home Regulatory Agreement, the Supplemental Mortgage, the

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Supplemental Regulatory Agreement and the Supplemental Nursing Home
Regulatory Agreement shall control. NUG-2000-003

5. **Base Rent.** Commencing as of the Effective Date, paragraph number five (5) on pages two (2) and three (3) of the Lease is hereby amended and restated in its entirety as follows:

(a) **BASE RENT.** Lessee shall pay to Lessor base rent for the premises in advance upon the first day of each and every month pursuant to the following:

I. February 6, 1991 through Day of Mortgagor's Cut Off

None \$0.00

II. First Day After Mortgagor's Cut Off Date Through May 31, 1997

ONE MILLION TWO HUNDRED THOUSAND DOLLARS AND 00/100 CENTS (\$1,200,000.00) per year or ONE HUNDRED THOUSAND DOLLARS AND 00/100 CENTS (\$100,000.00) per month

III. June 1, 1997 Through June 30, 2002

TWO MILLION ONE HUNDRED SIXTEEN THOUSAND FIVE HUNDRED DOLLARS AND 00/100 CENTS (\$2,116,500.00) per year or ONE HUNDRED SEVENTY-SIX THOUSAND THREE HUNDRED SEVENTY-FIVE DOLLARS AND 00/100 CENTS (\$176,375.00) per month.

which shall be sufficient to pay the following obligations of Lessor under the New Mortgage Loan and the Supplemental Mortgage Loan:

1. Real Estate Taxes;
2. Property Insurance;
3. Principal and Interest Payments;
4. Mortgage Insurance Premiums; and
5. Replacement Reserve payments.

But in no event shall the Base Rent be less than an amount sufficient to pay all mortgage payments including payments to the reserves for taxes, insurance, replacements, payments to the Sinking Fund, etc. and to take care of necessary maintenance required to be performed by Lessor.

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(b) All rent shall be payable at the Office of Alden Management Services Inc., 4200 West Peterson Avenue, Chicago, Illinois 60646, or wherever Lessor shall from time to time direct.

(c) Please see Number 9, ESCROWS, as additional rent.

6. Escrows. Commencing as of the Effective Date, paragraph number nine (9) on page four (4) of the Lease is hereby amended and restated in its entirety as follows:

ESCROWS. Lessee further agrees to deposit to escrow accounts as directed by Lessor any additional sums required for payment of Real Estate Taxes and premiums for property insurance, which payments shall be considered additional rent, due and payable by Lessor hereunder.

7. Insurance. Commencing as of the Effective Date, paragraph number 15(b) on page seven (7) of the Lease is hereby amended and restated in its entirety as follows:

(b) Provide and keep in force the public liability, and boiler insurance policies protecting Lessor and the Lessee against any and all liability and in the amounts of not less than \$2,000,000.00 in respect to any one accident or disaster and in the amount of not less than \$2,000,000.00 in respect to injuries to any one person;

8. Lessor's Title. Commencing as of the Effective Date, paragraph number twenty-six (26) on page twelve (12) of the Lease is hereby amended and restated in its entirety as follows:

LESSOR'S TITLE. Lessor's title is, and always shall be, paramount to the title and interest of Lessee, and nothing herein contained shall empower the Lessee to do any act which can or shall encumber the title of the Lessor. This Lease (and lessee's interest in all personal property) shall be subject and subordinate to the rights of Cambridge, Huntoon and their successors and assigns under the New Mortgage Loan and Supplemental Mortgage Loan, respectively. Lessee agrees, upon reasonable request from Lessor to execute such additional agreements as may be required to evidence Lessee's aforesaid agreement to subordinate its leasehold interest hereunder. If Lessee fails to execute such interest of subordination within a reasonable time, Lessor is hereby granted a limited Power of Attorney to execute same in the name of Lessee. Nothing contained herein shall relieve the Lessor of any obligations under the New Mortgage Loan or the Supplemental Mortgage Loan securing the notes insured by HUD.

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9. Additional Provisions to the Lease. Commencing as of the Effective Date, the following new paragraph 29 shall be inserted after paragraph twenty-eight (28) on page thirteen (13) of the Lease:

HUD PROVISIONS. Until such time as HUD, Cambridge and Huntoon or their successors and assigns no longer has any interest (as insurer, mortgagee or owner) in the Premises:

(a) The Lease shall not be modified or terminated except for a breach of covenant thereof without the prior written consent of HUD, Cambridge and Huntoon or their respective successors and assigns.

(b) The Lease may be terminated, at the option of HUD, in the event HUD becomes the mortgagee or owner of the property.

(c) The use of the leased premises as initially approved by HUD shall not be changed without the written consent of HUD, Cambridge, Huntoon or their successors or assigns.

10. Severability. If any provision of this Lease Amendment or the application thereof to any person or circumstance is or shall be deemed illegal, invalid or unenforceable, the remaining provisions hereof shall remain in full force and effect and this Lease Amendment shall be interpreted as if such legal, invalid or unenforceable provision did not exist herein.

11. Miscellaneous.

A. Each provision of the Lease and this Lease Amendment shall extend to and shall bind and inure to the benefit of Lessor and Lessee, their respective heirs, legal representatives, successors and assigns.

B. Except to the extent expressly stated or modified herein, all other terms and conditions of the Lease shall remain and continue in full force and effect as originally written and shall apply to this Lease Amendment, the Premises and the Amended Lease as if set forth in their entirety herein.

C. Time is of the essence of this Lease Amendment and the Lease and each provision hereof.

D. This Lease Amendment may be executed in counterparts, each of which shall be deemed to be an original and all of which shall together constitute in one and the same instrument.

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E. This Lease Amendment and the Lease contain the entire agreement between Lessor and Lessee with respect to Lessee's leasing of the Premises. No Prior agreements or understandings with respect to the Premises shall be valid or of any force or effect.

IN WITNESS WHEREOF, the parties hereto have executed this Lease Amendment as of the date first written above.

LESSOR:

LESSEE:

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO,
as Trustee under Trust Agreement dated January 7, 1991, as amended, and known as Trust No. 112729-03

ALDEN - TOWN MANOR REHABILITATION AND HEALTH CARE CENTER, INC., an Illinois corporation

By: [Signature]
Its: VICE PRESIDENT

By: [Signature]
Name: _____
Its: _____

ATTEST:

ATTEST:

By: [Signature]
REGISTERED SECRETARY

By: _____

This instrument is not intended to create a trust, and the Trustee, not personally, shall not be liable for any loss or damage to the power and authority of the Trustee. It is expressly understood that the warranties, indemnity, representation, covenant, undertaking or agreement of the Trustee are undertaken by the Trustee and not personally by the Trustee and not personally. No personal liability or responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this instrument.

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EXHIBIT A

***PARCEL 1:

LOTS 16 TO 20, INCLUSIVE IN BLOCK 6 IN SARGENT'S ADDITION TO CLYDE, BEING A SUBDIVISION OF THAT PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THAT PART OF VACATED 61ST COURT AND VACATED ALLEY DESCRIBED AS BEGINNING AT THE SOUTHWEST CORNER OF LOT 20 IN BLOCK 6 IN SARGENT'S ADDITION TO CLYDE, AFORESAID; THENCE SOUTHWESTERLY ALONG THE NORTHERLY RIGHT OF WAY LINE OF OGDEN AVENUE, 33.00 FEET TO THE CENTER LINE OF VACATED 61ST COURT; THENCE NORTHWESTERLY ALONG SAID CENTER LINE, 158.00 FEET TO THE SOUTHWESTERLY EXTENSION OF THE CENTER LINE OF THE VACATED ALLEY; THENCE NORTHEASTERLY ALONG SAID CENTER LINE TO AN INTERSECTION WITH THE NORTHWESTERLY EXTENSION OF THE NORTHEASTERLY LINE OF LOT 16 IN BLOCK 6 OF SAID SARGENT'S ADDITION TO CLYDE; THENCE SOUTHEASTERLY ALONG SAID LAST DESCRIBED LINE, 100 FEET TO THE NORTHEASTERLY CORNER OF SAID LOT 16 IN BLOCK 6; THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF LOTS 16, 17, 18, 19 AND 20 IN SAID BLOCK 6 TO THE NORTHWESTERLY CORNER OF SAID LOT 20 IN BLOCK 6 IN SARGENT'S ADDITION TO CLYDE, AFORESAID; THENCE SOUTHEASTERLY ALONG THE WESTERLY LINE OF SAID LOT 20, 150.00 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 15 TO 18, INCLUSIVE, IN BLOCK 5 IN SARGENT'S ADDITION TO CLYDE, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THAT PART OF VACATED 61ST COURT AND VACATED ALLEY DESCRIBED AS BEGINNING AT THE NORTHWESTERLY CORNER OF LOT 18 IN BLOCK 5 IN SARGENT'S ADDITION TO CLYDE, AFORESAID, THENCE NORTHWESTERLY ALONG THE WESTERLY LINE OF SAID LOT 18 EXTENDED, 8.00 FEET TO THE CENTER LINE OF THE VACATED ALLEY; THENCE NORTHEASTERLY ALONG SAID CENTER LINE AND ALONG SAID CENTER LINE EXTENDED, TO THE CENTER LINE OF VACATED 61ST COURT; THENCE SOUTHEASTERLY ALONG SAID CENTER LINE TO THE NORTHERLY RIGHT OF WAY LINE OF OGDEN AVENUE; THENCE SOUTHWESTERLY ALONG SAID NORTHERLY RIGHT OF WAY LINE, 33.00 FEET TO THE EASTERLY LINE OF BLOCK 5 IN SAID SARGENT'S ADDITION TO CLYDE; THENCE NORTHWESTERLY ALONG SAID EASTERLY LINE, 150.00 FEET TO THE NORTHEASTERLY CORNER OF LOT 15 IN SAID BLOCK 5; THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF LOTS 15, 16, 17 AND 18 IN SAID BLOCK 5 TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

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PARCEL 3:

LOTS 11 TO 14, INCLUSIVE, IN BLOCK 5 IN SARGENT'S ADDITION TO CLYDE, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THAT PART OF VACATED 61ST COURT AND VACATED ALLEY DESCRIBED AS BEGINNING AT THE NORTHWEST CORNER OF LOT 11 IN BLOCK 5 IN SARGENT'S ADDITION TO CLYDE, AFORESAID; THENCE WEST ALONG THE WESTERLY EXTENSION OF THE NORTH LINE OF SAID LOT 11, 8.00 FEET TO THE CENTER LINE OF THE VACATED ALLEY; THENCE SOUTH ALONG SAID CENTER LINE TO THE CENTER LINE OF THE INTERSECTING 16 FOOT WIDE VACATED ALLEY, BEING A LINE 8.00 FEET SOUTHERLY OF AND PARALLEL WITH THE SOUTHEASTERLY LINE OF LOT 14 IN SAID BLOCK 5; THENCE NORTHEASTERLY ALONG SAID CENTER LINE AND ALONG SAID CENTER LINE EXTENDED TO THE CENTER LINE OF VACATED 61ST COURT; THENCE NORTH ALONG SAID CENTER LINE TO AN INTERSECTION WITH THE EASTERLY EXTENSION OF THE NORTH LINE, OF LOT 11 IN BLOCK 5 IN SARGENT'S ADDITION TO CLYDE; THENCE WEST ALONG SAID LAST DESCRIBED LINE, 33.00 FEET TO THE NORTHEAST CORNER OF LOT 11 IN BLOCK 5, IN SAID SARGENT'S ADDITION TO CLYDE; THENCE SOUTH ALONG THE EAST LINE OF SAID BLOCK 5 TO THE SOUTHEAST CORNER OF LOT 14 IN SAID BLOCK 5; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF SAID LOT 14 TO THE SOUTHWESTERLY CORNER OF SAID LOT 14; THENCE NORTH ALONG THE WEST LINE OF LOTS 11 TO 14, INCLUSIVE, IN SAID BLOCK 5 TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.***

PIN Nos.

16-32-116-020 Vol. 046
16-32-116-021 Vol. 046
16-32-116-022 Vol. 046
16-32-116-023 Vol. 046
16-32-116-024 Vol. 046
16-32-115-026 Vol. 046
16-32-115-017 Vol. 046
16-32-115-018 Vol. 046
16-32-115-019 Vol. 046
16-32-115-020 Vol. 046

Commonly Known as:
6120 West Ogden Avenue
Cicero, Illinois 60605

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LEASE AMENDMENT NO. 2

TO

ALDEN TOWN MANOR REHABILITATION AND HEALTH CARE CENTER, INC.
LEASE

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As Addendum to lease dated June 1, 1993, between American National Bank and Trust of Chicago as Trustee under Trust Agreement dated January 1, 1991, and Trust Number 112729-03 (hereinafter called "Lessor") and ALDEN TOWN MANOR REHABILITATION AND HEALTH CARE CENTER, INC., a corporation created and existing under the laws of the State of Illinois (hereinafter called "Lessee"), and as amended in Lease Amendment No. 1 dated June 20, 1997, it is hereby agreed upon and understood that the minimum rental payments under the terms of the original lease and as previously amended are now amended as follows:

BASE RENT: Effective January 1, 1999, Lessee hereby agrees to pay Lessor base rent for the premises in advance upon the first day of each and every month pursuant to the following schedule:

ONE MILLION FOUR HUNDRED FORTY THOUSAND DOLLARS AND 00/100 CENTS
(\$1,440,000.00) per year or ONE HUNDRED TWENTY THOUSAND DOLLARS AND 00/100 CENTS
(\$120,000.00) per month.

The BASE RENT shall be sufficient to cover the monthly principal and interest due on the mortgage plus the required escrow deposits for real estate taxes, insurance and replacement reserves. Total rent will be calculated as BASE RENT plus real estate tax expense and property insurance expense.

AMERICAN NATIONAL BANK AND TRUST CO. OF CHICAGO
Trustee and Trust Number 112729-03

By: Joan Carl

JOAN CARL, GENERAL PARTNER -
CICERO ASSOCIATES LIMITED PARTNERSHIP

ALDEN-TOWN MANOR REHABILITATION AND HEALTH CARE CENTER,
INC.

By: Floyd Schlossberg

FLOYD SCHLOSSBERG, PRESIDENT

Dated December 31, 1999

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LEASE AMENDMENT NO. 3

The following Amendment dated this 28th day of December, 2000 is to act as an Addendum to a Lease dated June 1, 1993 by and between LA SALLE BANK, N.A., as Successor Trustee to AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee under a Trust Agreement dated January 1, 1991 and known as Trust No. 112729-03 (hereinafter "Lessor") and ALDEN - TOWN MANOR REHABILITATION AND HEALTH CARE CENTER, INC., a corporation created and existing under the laws of the State of Illinois, as Successor in interest to ALDEN TOWN MANOR NURSING CENTER, INC., (hereinafter "Lessee").

IT IS HEREBY AGREED upon and understood by and between the parties hereto that the minimum rental payments and responsibilities of the Lessor and Lessee under the terms and conditions of the original Lease are now amended and clarified as follows:

1. BASE RENT

Effective the 1st day of January, 2001, Lessee hereby agrees to pay Lessor monthly Base Rent in advance upon the first day of each month the sum of One Hundred Five Thousand Four Hundred Seventy-five (\$105,475.00) Dollars per month.

However, in no event shall the sum of the monthly Base Rent be less than an amount sufficient to cover the monthly principal and interest due on the mortgage plus the required escrow deposits for replacement reserves, and to take care of necessary maintenance required to be performed by Lessor.

In addition to the Base Rent as set forth above the Real Estate taxes and general insurance premium payments shall remain the responsibility of the Lessee, and required escrow deposits will be funded by Lessee in accordance with the mortgage requirements and held by the Lessor on behalf of the Lessee.

2. All other terms and conditions of the original Lease shall remain unchanged and in full force and effect.

ALDEN CICERO ASSOCIATES LIMITED PARTNERSHIP
Sole Beneficiary of LA SALLE BANK, N.A., Trust No. 112729-03

By: 

JOAN CARL, General Partner

ALDEN - TOWN MANOR REHABILITATION AND HEALTH
CARE CENTER, INC.

By: 

FLOYD A. SCHLOSSBERG, President

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Alden • Town Manor Nursing Center

November 15, 2001

Ms. Joan Carl, Manager
Alden Cicero Associates Limited Partnership
4200 W. Peterson Avenue, Suite 140
Chicago, Illinois 60646

RE: Lease dated June 1, 1993

Dear Ms. Carl:

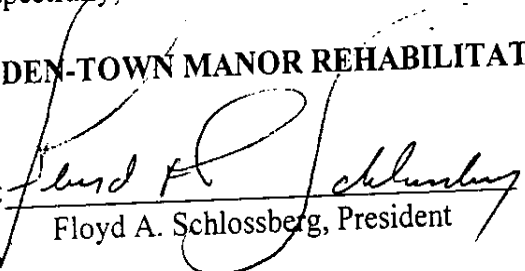
This letter is to serve notice that Alden-Town Manor Rehabilitation and Health Care Center, Inc., Lessee under a lease dated June 1, 1993 with your Limited Partnership as the sole beneficiary of the Lessor, LaSalle Bank, N.A., Successor Trustee under Trust No. 112729-03, hereby exercises its option to renew the aforesaid lease currently expiring on May 31, 2002 for an additional ten (10) year period beginning June 1, 2002 and expiring May 31, 2012.

All of the terms and conditions of said Lease together with all amendments heretofore agreed upon are to remain in full force and effect.

Respectfully,

ALDEN-TOWN MANOR REHABILITATION AND HEALTH CARE CENTER, INC.

By:


Floyd A. Schlossberg, President

FAS/ag

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LEASE AMENDMENT NO. 4
AND
SUBORDINATION AGREEMENT

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THIS LEASE AMENDMENT NO. 4 AND SUBORDINATION AGREEMENT (this "Lease Amendment") is made and entered into as of this 1st day of November, 2002, by and between **LASALLE BANK NATIONAL ASSOCIATION, AS SUCCESSOR TRUSTEE TO AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO**, not personally, but solely as Trustee under Amended and Restated Trust Agreement, dated as of January 7, 1991, and known as Trust No. 112729-03 ("Lessor"), and **ALDEN-TOWN MANOR REHABILITATION AND HEALTH CARE CENTER, INC.**, an Illinois corporation ("Lessee").

WITNESSETH:

WHEREAS, Lessor is the owner of certain real property commonly known as 6120 West Ogden Avenue Cicero, Illinois 60605 (herein sometimes referred to as the "Premises") and on which there is constructed a certain nursing home facility (the "Facility") known as Alden Town Manor Rehabilitation and Health Care Center, FHA Project Nos. 071-22044 and 071-15025.

WHEREAS, Lessor and Lessee previously have executed and entered into that certain Lease, dated June 1, 1993, for the Facility, as amended by (i) a certain Lease Amendment No. 1, dated June 20, 1997; (ii) a certain Lease Amendment No. 2, dated December 31, 1999; (iii) a certain Lease Amendment No. 3, dated December 28, 2000 (the "Amendment No. 3"); and (iv) a Renewal of Lease Letter, dated November 15, 2001 (collectively, the "Lease");

WHEREAS, pursuant to a certain Commitment for Insurance, dated September 26, 2002, from Mary Anderson of the Chicago Multifamily Hub of the Illinois State Office of the U.S. Department of Housing and Urban Development ("HUD") to Cambridge Realty Capital Ltd. Of Illinois ("Lender"), the Lessor has obtained from Lender a new mortgage loan to refinance the existing first mortgage in the anticipated amount of \$10,617,600.00 (the "First Mortgage Loan") to be insured under Section 232 pursuant to Section 223(a)(7) of the National Housing Act, as amended (the "Act");

WHEREAS, pursuant to a certain Commitment for Insurance, dated September 27, 2002, from Mary Anderson of the Chicago Multifamily Hub of the Illinois State Office of HUD to Lender, the Lessor has obtained from Lender a new mortgage loan to refinance the existing second mortgage in the anticipated amount of \$2,104,700.00 (the "Supplemental Mortgage Loan") to be insured under Section 223(d) pursuant to Section 223(a)(7) of the Act. The First Mortgage Loan and the Supplemental Mortgage Loan shall hereinafter be collectively referred to as the "HUD Loans";

WHEREAS, HUD has required an amendment to the Lease as a condition of endorsement of the HUD Loans for insurance;

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WHEREAS, the parties hereto currently desire to amend the Lease a) to revise the amount and methodology for calculating rent payable by Lessor to Lessee; and b) to amend certain other terms and conditions of the Lease as hereinafter more particularly set forth.

NOW, THEREFORE, in consideration of the foregoing, the mutual covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree and amend the Lease in the following respects only:

1. **Integration of This Lease Amendment in the Lease.** The foregoing recitals in this Lease Amendment are hereby incorporated by reference as if set forth fully herein. This Lease Amendment and the Lease shall, for all purposes, be deemed to be one (1) instrument. In the event there arises a conflict between the terms and provisions of this Lease Amendment and the terms and provisions of the Lease, the terms and provisions of this Lease Amendment shall, in all incidents, control, govern and prevail. Except as expressly defined herein, all words, terms and phrases defined in the Lease shall have the same meaning in this Lease Amendment as are ascribed to said words, terms and phrases in the Lease.

2. **Effective Date.** The terms and provisions of this Lease Amendment shall be effective commencing as of November 25, 2002 (the "Effective Date").

3. **Rental.** From and after the Effective Date, Paragraph 5(a)(II) of the Lease shall be deemed amended by inserting the following at the end thereof:

"Notwithstanding any provision contained herein to the contrary, Lessee shall be obligated to pay and shall pay to Lessor commencing on December 1, 2002 and on the first (1st) day of each month thereafter for so long as the Premises is subject to any mortgage loan insured or held by the U.S. Department of Housing and Urban Development (each, a "HUD Loan" or collectively, the "HUD Loans" as the context may require) an amount ("HUD Rent") which is the greater of (i) Base Rent, plus any Escrows or additional rent due and payable hereunder and (ii) a sum equal to no less than \$149,000.00. Regardless of any other provision, said HUD Rent shall at all times be in an amount (i) sufficient to ensure that the property will be properly maintained, and debt service requirements and other operating expenses will be met, and (ii) sufficient to pay the following monthly obligations to Lender and its successors and assigns as holder of FHA Mortgage Loans No. 071-22044 and 071-15025 or any replacement HUD Loan with respect thereto:

- (a) Mortgage Payment of Principal and Interest;
- (b) Mortgage Insurance Premium Escrow;
- (c) Deposit to Replacement Reserve;
- (d) Insurance Escrows; and

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(e) Real Estate Tax Escrows (if any).

Lessor shall provide Lessee with written notice of any adjustment in HUD Rent required by HUD or Lender within seven (7) business days following receipt by Lessor of notice of any such adjustment. Thereafter, Lessee shall pay to Lessor any HUD Rent, as so adjusted, due and payable under this Lease, which adjusted payment shall commence as of the first (1st) date of the month following receipt by Lessee of notification of said adjustment as hereinabove provided."

At such time as the Premises are no longer subject to any HUD Loan, Lessee shall be obligated to pay to Lessor Base Rent and such additional rent as may otherwise be required under the Lease, as same may hereafter be amended."

4. Regulatory Agreements. Commencing as of the Effective Date, paragraph number three (3) on page two (2) of the Lease is hereby amended and restated in its entirety as follows:

"To the extent any provisions of this Lease Agreement conflict with:

- a. that certain Mortgage, dated as of November 1, 2002, by and between Lessor and Lender (the "First Mortgage");
- b. that certain Regulatory Agreement for Multifamily Housing Projects, dated as of November 1, 2002, by and among Lessor, Alden Cicero Associates Limited Partnership, an Illinois limited partnership (the "Beneficiary"), and the U.S. Department of Housing and Urban Development ("HUD" and or the "Commissioner") (the "First Regulatory Agreement");
- c. that certain Regulatory Agreement Nursing Homes, dated as of November 1, 2002, by and between Lessee and the Commissioner (the "First Nursing Home Regulatory Agreement");
- d. that certain Second Mortgage, dated as of November 1, 2002, executed and delivered by Lessor to Lender (the "Supplemental Mortgage");
- e. that certain Second Regulatory Agreement for Multifamily Projects, dated November 1, 2002, by and among Lessor, Beneficiary and the Commissioner (the "Supplemental Regulatory Agreement"); and
- f. that certain Second Regulatory Agreement Nursing Homes, dated November 1, 2002, by and between Lessee and the Commissioner (the "Supplemental Nursing Home Regulatory agreement");

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The terms and provisions of the First Mortgage, the First Regulatory Agreement, the First Nursing Home Regulatory Agreement, the Supplemental Mortgage, the Supplemental Regulatory Agreement and the Supplemental Nursing Home Regulatory Agreement shall control.

5. **HUD Provisions.** From and after the Effective Date, the Lease shall be deemed amended (a) by deleting Paragraph 29 in its entirety and (b) by inserting in lieu thereof the following:

“29. HUD LOAN OBLIGATIONS.

(a) Lessor and Lessee acknowledge that the Premises are now or may hereafter be subject to one or more HUD Loans, including, without limitation, those certain project loans designated by FHA Project Nos: 071-22044 (the “First Mortgage”) and 071-15025 (the “Supplemental Mortgage”). In connection therewith, the parties hereby acknowledge that the following shall apply for so long as the Premises are subject to any such HUD Loan:

(1) Lessor hereby agrees that Lessor is subject to the restrictions on the use of surplus cash as defined in the applicable HUD Regulatory Agreement.

(2) Lessee and Lessor hereby agree and acknowledge that the Lease, as amended, is in all respects subject to and subordinate to any and all documents and agreements executed by any party hereto, HUD or the Lender in connection with any HUD Loan, the National Housing Act and the regulations issued pursuant thereto by HUD, and that so long as the HUD mortgage insurance contract is in force between HUD and the Lender with respect to any HUD Loan, the provisions of such documents and of applicable HUD regulations shall take precedence in the event of any conflict with the provisions of the Lease.

3. Lessee shall maintain the Facility in good repair and condition.

4. The Lessor shall not reduce or expand, allow to be reduced or expanded, or cause the expansion or reduction of the bed capacity of the Facility without the consent of HUD.”

6. **Severability.** If any provision of this Lease Amendment or the application thereof to any person or circumstance is or shall be deemed illegal, invalid or unenforceable, the remaining provisions hereof shall remain in full force and

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effect and this Lease Amendment shall be interpreted as if such legal, invalid or unenforceable provision did not exist herein.

7. **Miscellaneous.**

- a. Each provision of the Lease and this Lease Amendment shall extend to and shall bind and inure to the benefit of Lessor and Lessee, their respective heirs, legal representatives, successors and assigns.
- b. Except to the extent expressly stated or modified herein, all other terms and conditions of the Lease shall remain and continue in full force and effect as originally written and shall apply to this Lease Amendment, the Premises, the Facility and the Lease as if set forth in their entirety herein.
- c. Time is of the essence of this Lease Amendment and the Lease and each provision hereof.
- d. This Lease Amendment may be executed in counterparts, each of which shall be deemed to be an original and all of which shall together constitute one and the same instrument.
- e. This Lease Amendment and the Lease contain the entire agreement between Lessor and Lessee with respect to Lessee's leasing of the Premises and the Facility. No prior agreements or understandings with respect to the Premises and the Facility shall be valid or of any force or effect.

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IN WITNESS WHEREOF, the parties hereto have executed this Lease Amendment as of the date first written above.

LESSOR:

SUBJECT TO THE EXCULPATORY PROVISIONS ATTACHED HERETO AND MADE A PART HEREOF

LASALLE BANK NATIONAL ASSOCIATION, AS SUCCESSOR TRUSTEE TO AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee under Amended and Restated Trust Agreement, dated as of January 7, 1991, and known as Trust No. 102729-03

By: *Spring Alexander*
Name: SPRING ALEXANDER
Title: TRUST OFFICER

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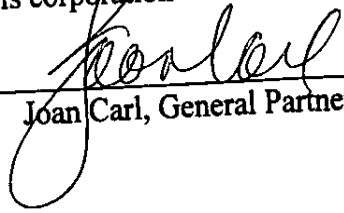
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LESSEE:

**ALDEN-TOWN MANOR REHABILITATION
AND HEALTH CARE CENTER, INC., an
Illinois corporation**

By: _____


Joan Carl, General Partner

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**EXCULPATORY PROVISIONS FOR
ALDEN TOWN MANOR REHABILITATION AND HEALTH CARE CENTER
FEDERAL HOUSING ADMINISTRATION PROJECT NOS. 071-22044 AND 15025**

This document is executed by LASALLE BANK NATIONAL ASSOCIATION, AS SUCCESSOR TRUSTEE TO AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee under Trust Agreement, dated as of January 7, 1991, and known as Trust No. 112729-03 in the exercise of the power and authority conferred upon and vested in said Trustee as such, and it is expressly understood and agreed that nothing in this document contained shall be construed as creating any monetary liability on said Trustee personally, to pay any indebtedness occurring thereunder, or any personal monetary liability on said Trustee with respect to the performance of any warranty or covenant, either expressed or implied, in said document (all such personal liability, if any, being expressly waived by the parties hereto and by every person now or hereafter claiming any right or security thereunder) except that the said Trustee shall be liable for funds or property of the project coming into its hand, which by the Regulatory Amendment for Multifamily Housing Projects, it is not entitled to retain.

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