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This Instrument prepared by,
And after Recording Return to:

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Robert J. Katz, P.C.
1990 M Street NW, Suite 410
Washington, DC 20036

Doc#: 0603018118 Fee: \$32.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 01/30/2006 04:44 PM Pg: 1 of 5

211232

DECLARATION OF SUBORDINATION

THIS DECLARATION OF SUBORDINATION made as of January 1, 2006, by THE RENAISSANCE AT 87th STREET, INC., an Illinois corporation (formerly known as THE RENAISSANCE AT BEVERLY, INC. and hereinafter referred to as the "Lessee"), whose address is 6633 North Lincoln Avenue, Lincolnwood, Illinois 60645.

RECITALS

WHEREAS, CHICAGO TITLE LAND TRUST COMPANY AS SUCCESSOR TRUSTEE TO LASALLE BANK NATIONAL ASSOCIATION, NOT PERSONALLY, BUT SOLELY AS TRUSTEE UNDER TRUST AGREEMENT DATED AS OF MARCH 1, 2000 (hereinafter referred to as the "Trust", of which Trust THE RENAISSANCE AT BEVERLY, L.P., an Illinois limited partnership, is the Sole Beneficiary, and is hereinafter referred to as the "Beneficiary"), AS AMENDED, AND KNOWN AS TRUST NO. 123079 (hereinafter referred to as the "Mortgagor" or "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 1, 2006, in the principal amount of \$9,580,500.00 (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 Recorder of Deeds of Cook County, Illinois;

WHEREAS, the Mortgagor and the Secretary of Housing and Urban Development acting by and through the Federal Housing Commissioner (hereinafter referred to as the "Secretary" or the "Commissioner") have entered into a Regulatory Agreement for Multifamily Housing Projects (hereinafter referred to as the "Regulatory Agreement"), dated as of January 1, 2006, which is to be filed for record simultaneously with this Declaration of Subordination in the Office of the Recorder of Deeds 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 Commissioner.

WHEREAS, the Mortgage Loan is to be insured by the Commissioner in accordance with the terms and conditions of a certain U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FIRM COMMITMENT Section 232 Pursuant to Section 223(a)(7) dated January 4, 2006, as amended, for THE RENAISSANCE AT 87th STREET (hereinafter referred to as the "Facility"), and which is identified among the records of the Federal Housing Administration (hereinafter referred to as the "FHA") as FHA Project No. 071-43201.

Box 430

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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 August 24, 2000, by and between the Lessee and the Commissioner, which was filed for record on August 30, 2000, in the Office of the Recorder of Deeds of Cook County, Illinois, as Document No. 00672386, which Regulatory Agreement Nursing Homes was amended in accordance with the terms and conditions of a certain Amendment to Regulatory Agreement Nursing Homes dated as of January 1, 2006, by and between the Lessee and the Commissioner which is to be filed for record, simultaneously with this Declaration of Subordination in the Office of the Recorder of Deeds of Cook County, Illinois (hereinafter collectively referred to as the "Regulatory Agreement Nursing Homes"); and
- (b) Lease dated as of March 30, 1998 (hereinafter referred to as the "Lease"), for the property commonly known as THE RENAISSANCE AT 87th STREET, located at 8653 South Sacramento, City of Chicago, County of Cook, State of Illinois 60652, and legally described on Exhibit "A" attached hereto and made a part hereof (hereinafter referred to as the "Leased Premises"), by and between THE RENAISSANCE AT BEVERLY, L.P., an Illinois limited partnership (hereinafter referred to as the "Original Lessor"), and THE RENAISSANCE AT BEVERLY, INC., an Illinois corporation (hereinafter referred to as the "Lessee" and now known as "THE RENAISSANCE AT 87th STREET, INC., an Illinois corporation"). The Lease was amended in accordance with the terms and conditions of a certain First Amendment to Lease dated as of May 13, 1999, by and between the Original Lessor and the Lessee (hereinafter referred to as the "First Amendment to Lease"). The Lease, as amended by the First Amendment to Lease:
- (i) was then amended in accordance with the terms and conditions of a Second Amendment to Nursing Home Lease dated as of August 24, 2000, by and between LASALLE BANK NATIONAL ASSOCIATION, NOT PERSONALLY, BUT SOLELY AS TRUSTEE UNDER TRUST AGREEMENT DATED AS OF MARCH 1, 2000, AS AMENDED, AND KNOWN AS TRUST NO. 123079 (now known as CHICAGO TITLE LAND TRUST COMPANY AS SUCCESSOR TRUSTEE TO LASALLE BANK NATIONAL ASSOCIATION, NOT PERSONALLY, BUT SOLELY AS TRUSTEE UNDER TRUST AGREEMENT DATED AS OF MARCH 1, 2000, AS AMENDED, AND KNOWN AS TRUST NO. 123079, and hereinafter referred to as the "Successor Lessor"), the Original Lessor and the Lessee (hereinafter referred to as the "Second Amendment to Lease"); and
- (ii) was then further amended in accordance with the terms and conditions of a Third Amendment to Nursing Home Lease dated January 1, 2006, by and between Successor Lessor, and the Lessee (hereinafter referred to as the "Third Amendment to Lease"). The Lease, the First Amendment to Lease, the Second Amendment to Lease and the Third Amendment to Lease being hereinafter collectively referred to as the "Lease Agreement"--- be subordinate to the Mortgage and 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:

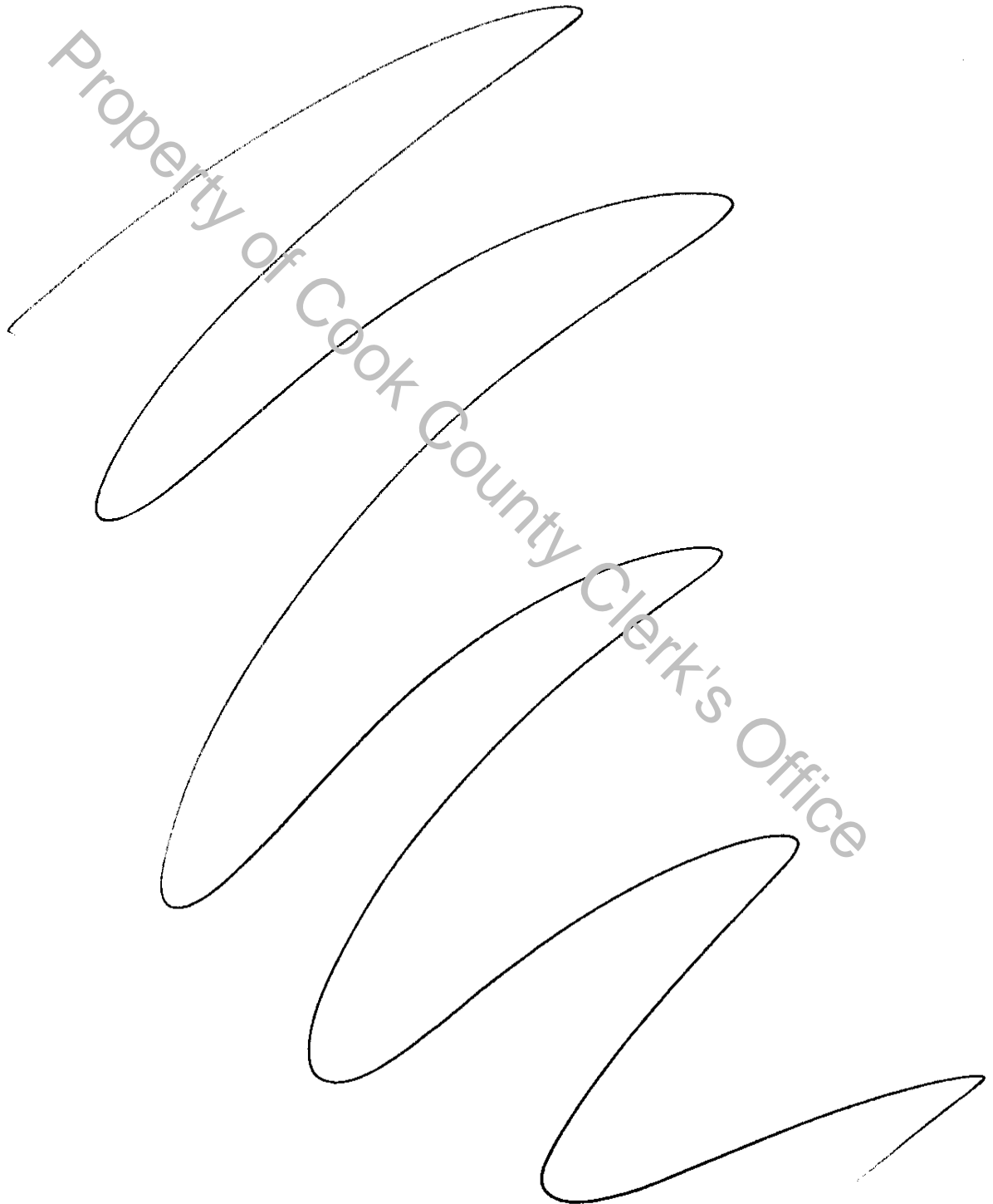
1. The Lease Agreement (including all of the terms, covenants and provisions thereof) is and shall be subject and subordinate in all respects to the Mortgage, securing the Note, for the Facility; to the full extent of any and all amounts from time to time secured thereby and interest thereon, all with the same force and effect as if the Mortgage had been executed, delivered and recorded prior to the execution and delivery of the Lease Agreement.
2. Nothing in the Lease Agreement is intended to alter or conflict with the terms, conditions, and provisions of U.S. 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 Commissioner of the Note, and to the extent that it does so, in the sole opinion of the Secretary, or his successors, the HUD regulations, administrative requirements, handbooks, lender notices and documents shall control and the 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 or his successors, and

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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, Mortgage, and Regulatory Agreement for Multifamily Housing Projects for FHA Project No. 071-43201; and that, so long as the HUD Mortgage Insurance Contracts are 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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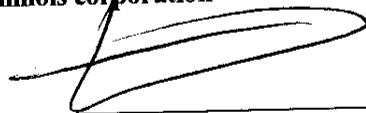
Property of Cook County Clerk's Office



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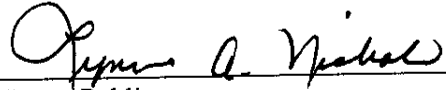
IN WITNESS WHEREOF, this instrument has been duly executed and delivered as of the day, month and year first above written.

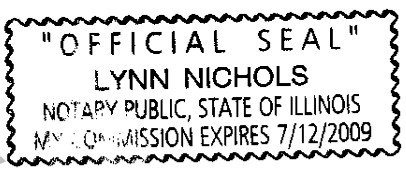
**THE RENAISSANCE AT 87th STREET, INC.,
an Illinois corporation**

By: 
Robert Hartman, President

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

On this 31st day of January 2006, before me personally came Robert Hartman, to me known, who being by me duly sworn, did depose and state that he is the President of THE RENAISSANCE AT 87th STREET, INC., an Illinois corporation, and did acknowledge that he executed the foregoing instrument as the free act and deed of said corporation.


Notary Public



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EXHIBIT "A"
LEGAL DESCRIPTION
FOR THE RENAISSANCE AT 87th STREET
FEDERAL HOUSING ADMINISTRATION
PROJECT NO. 071-43201

LOTS 1, 2, 3, 4, 5, 6, 7 AND 8 IN WILBERT L. SIEVERS SUBDIVISION OF THE WEST 15 ACRES OF THE EAST 35 ACRES OF THE SOUTH 60 ACRES OF THE SOUTHWEST QUARTER OF SECTION 36 (EXCEPT ALL THAT PART OF SAID WEST 15 ACRES WHICH LIES WEST OF THE EAST LINE OF THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 36) ALL IN TOWNSHIP 38 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO PLAT THEREOF RECORDED MARCH 16, 1953 AS DOCUMENT 15568363 IN COOK COUNTY, ILLINOIS.

PERMANENT REAL ESTATE INDEX NO. 19-36-322-011, vol. 412

Affects: Lot 1

PERMANENT REAL ESTATE INDEX NO. 19-36-322-012, vol. 412

Affects: Lot 2

PERMANENT REAL ESTATE INDEX NO. 19-36-322-013, vol. 412

Affects: Lot 3

PERMANENT REAL ESTATE INDEX NO. 19-36-322-014, vol. 412

Affects: Lot 4

PERMANENT REAL ESTATE INDEX NO. 19-36-322-015, vol. 412

Affects: Lot 5

PERMANENT REAL ESTATE INDEX NO. 19-36-322-016, vol. 412

Affects: Lot 6

PERMANENT REAL ESTATE INDEX NO. 19-36-322-017, vol. 412

Affects: Lot 7

PERMANENT REAL ESTATE INDEX NO. 19-36-322-018, vol. 412

Affects: Lot 8

PROPERTY ADDRESS: 8653 South Sacramento, City of Chicago, County of Cook, State of Illinois 60652.