



211975

RECORDING REQUESTED BY  
AND WHEN RECORDED RETURN TO:

Doc#: 1104816073 Fee: \$50.00  
Eugene "Gene" Moore RHSP Fee:\$10.00  
Cook County Recorder of Deeds  
Date: 02/17/2011 11:51 AM Pg: 1 of 8

Law Office of Abraham A. Gutnicki, P.C.  
8320 Skokie Blvd., Ste. 100  
Skokie, Illinois 60077  
Attn: Jeremy F. Segall, Esq.

(Space above this line for Recorder's Use)

**SUBORDINATION AGREEMENT**

**NOTICE: THE SUBORDINATION PROVIDED FOR IN THIS AGREEMENT RESULTS IN YOUR LEASEHOLD ESTATE BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE INTEREST CREATED BY SOME OTHER OR LATER INSTRUMENT.**

THIS AGREEMENT, made as of this 17th day of February, 2011, by and between GLEN OAKS REAL ESTATE & DEVELOPMENT L.L.C., an Illinois limited liability company ("Mortgagor" or "Lessor"), as lessor under the lease hereinafter described, and GLEN OAKS NURSING & REHABILITATION CENTRE, LTD., an Illinois corporation ("Operator" or "Lessee"), lessee under the aforementioned lease, in favor of OPPENHEIMER MULTIFAMILY HOUSING & HEALTHCARE FINANCE, INC., a Pennsylvania corporation ("FHA Mortgagee"), the owner and holder of the Mortgage hereinafter described.

**WITNESSETH:**

WHEREAS, Lessor has or will execute that certain Mortgage, dated as of February 1, 2011 (the "Mortgage"), in favor of FHA Mortgagee and covering certain real property (the "Property") located in the Village of Northbrook, County of Cook, State of Illinois, with a legal description as set forth in Exhibit "A" attached hereto and incorporated herein by this reference, and covering the improvements situated thereon (the "Improvements"), which Mortgage is being recorded concurrently herewith; and

WHEREAS, Lessor and Lessee entered into that certain Lease dated December 1, 2008, as it may thereafter be amended by that certain HUD Amendment to Lease dated as of February 17, 2011 (the "Lease"), covering the Property for the term and upon the conditions set forth therein; and

WHEREAS, the parties hereto now desire to enter into this Agreement to establish certain rights and obligations with respect to their interests, and to provide for various contingencies as hereinafter set forth.

Box 430

# UNOFFICIAL COPY

NOW, THEREFORE, in consideration for the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual benefits to accrue to the parties hereto, it is hereby declared, understood and agreed that the Lease, all terms and conditions set forth in the Lease, the leasehold interests and estates created thereby, and the priorities, rights, privileges and powers of Lessee and Lessor thereunder shall be and the same are hereby, and with full knowledge and understanding of the effect thereof, unconditionally made subject and subordinate to the lien and charge of the Mortgage, all terms and conditions contained therein, any renewals, extensions, modifications or replacements thereof, and the rights, privileges and powers of the FHA Mortgagee thereunder, and shall hereafter be junior and inferior to the lien and charge of the Mortgage. The parties further agree as follows:

1. It is expressly understood and agreed that this Agreement shall supersede, to the extent inconsistent herewith, the provisions of the Lease relating to the subordination of the Lease and the leasehold interests and estates created thereby to the lien or charge of the Mortgage.

2. FHA Mortgagee consents to the Lease.

3. Lessee hereby agrees that it will not exercise any right granted it under the Lease, or which it might otherwise have under applicable law, to terminate the Lease on account of a default of Lessor thereunder or the occurrence of any other event without first giving to FHA Mortgagee prior written notice of its intent to terminate, which notice shall include a statement of the default or event on which such intent to terminate is based. Thereafter, Lessee shall not take any action to terminate the Lease if FHA Mortgagee (a) within thirty (30) days after service of such written notice on FHA Mortgagee by Lessee of its intention to terminate the Lease, shall cure such default or event if the same can be cured by the payment or expenditure of money, or (b) shall diligently take action to obtain possession of the leased premises (including possession by receiver) and to cure such default or event in the case of a default or event which cannot be cured unless and until FHA Mortgagee has obtained possession, but in no event to exceed ninety (90) days after service of such written notice on FHA Mortgagee by Lessee of its intention to terminate.

4. For the purposes of facilitating FHA Mortgagee's rights hereunder, FHA Mortgagee shall have, and for such purposes is hereby granted by Lessee and Lessor, the right to enter upon the Property and the Improvements thereon for the purpose of effecting any such cure.

5. Lessee hereby agrees to give to FHA Mortgagee concurrently with the giving of any notice of default under the Lease, a copy of such notice by mailing the same to FHA Mortgagee in the manner set forth hereinbelow, and no such notice given to Lessor which is not at or about the same time also given to FHA Mortgagee shall be valid or effective against FHA Mortgagee for any purpose.

# UNOFFICIAL COPY

6. Subordination of Lease to Mortgage and Regulatory Agreements and Regulation by the U.S. Department of Housing and Urban Development ("HUD").

(a) The Lease and all estates, rights, options, liens and charges therein contained or created under the Lease are and shall be subject and subordinate to the lien or interest of (i) the Mortgage on the Lessor's interest in the Property in favor of FHA Mortgagee, its successors and assigns insofar as it affects the real and personal property comprising the Property (and not otherwise owned, leased or licensed by Lessee) or located thereon or therein, and to all renewals, modifications, consolidations, replacements and extensions thereof, and to all advances made or to be made thereunder, to the full extent of amounts secured thereby and interest thereon, (ii) that certain Regulatory Agreement for Multifamily Housing Projects between Lessor and HUD to be recorded against the Property, and (iii) that certain Regulatory Agreement Nursing Homes between Tenant and HUD to be recorded against the Property (the "Lessee's Regulatory Agreement").

(b) The parties to the Lease agree to execute and deliver to FHA Mortgagee and/or HUD such other instrument or instruments as the FHA Mortgagee and/or HUD, or their respective successors or assigns, shall reasonably request to effect and/or confirm the subordination of the Lease to the lien of the Mortgage and the above-described Regulatory Agreements. To the extent that any provision of the Lease shall be in conflict with the provisions of the Mortgage, the Regulatory Agreements and/or any applicable section of Section 232 of the National Housing Act, the provisions of the Mortgage, the Regulatory Agreements and/or such sections of Section 232 of the National Housing Act, as the case may be, shall be controlling.

(c) To the extent there is any inconsistency between the terms of this Agreement, and the Lease, the terms of this Agreement shall be controlling.

7. For purposes of any notices to be given to FHA Mortgagee hereunder, the same shall be sent by U.S. certified mail, return receipt requested, postage prepaid, to FHA Mortgagee at the following address:

FHA Mortgagee: Oppenheimer Multifamily Housing & Healthcare Finance, Inc.  
1180 Welsh Rd., Ste. 210  
North Wales, PA 19454  
Attn: Darby Judd, Loan Coordinator

HUD: U.S. Department of Housing and Urban Development  
Office of Healthcare Programs  
451 Seventh St. SW, Room 6264  
Washington, DC 20410

or to such other address as FHA Mortgagee may hereafter notify Lessee in writing by notice sent to Lessee as aforesaid at Lessee's address at the Property, or such other address as FHA Mortgagee may hereafter be advised of in writing by notice sent to FHA Mortgagee as aforesaid.

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8. The agreements contained herein shall run with the land and shall be binding upon and inure to the benefit of the respective heirs, administrators, executors, legal representatives, successors and assigns of the parties hereto.

9. This Agreement may be executed in one or more counterparts, all of which when taken together shall constitute a single instrument.

10. This Agreement shall, in all respects, be governed by and construed and interpreted in accordance with the laws of the State of Illinois.

**[SEE ATTACHED SIGNATURE PAGES]**

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

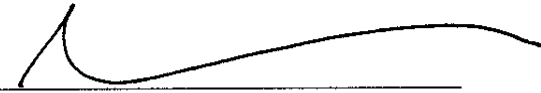
## SIGNATURE PAGE TO SUBORDINATION AGREEMENT

IN WITNESS WHEREOF, the undersigned has executed this instrument as of the day and year first above written.

**LESSOR:**

GLEN OAKS REAL ESTATE &  
DEVELOPMENT L.L.C.,  
an Illinois limited liability company

By: SLG Limited Partnership, an Illinois  
limited partnership, its Manager

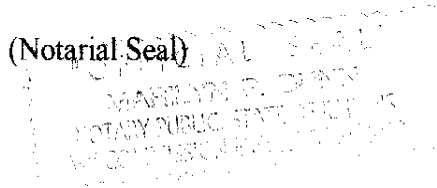
By:   
Sidney Glenner, General Partner

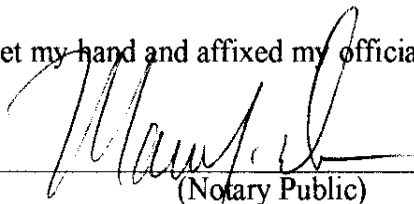
### ACKNOWLEDGMENT

STATE OF Illinois )  
COUNTY OF Cook ) ss:

Be it remembered, that on this 15<sup>th</sup> day of February, 2012, before me Sidney Glenner, as General Partner of SLG Limited Partnership, an Illinois limited partnership, Manager of GLEN OAKS REAL ESTATE & DEVELOPMENT L.L.C., an Illinois limited liability company, who is personally known to me and known to me to be the same person who executed the foregoing instrument, and he duly acknowledged the execution of the same for and on behalf of and as the act and deed of said limited liability company.

In witness whereof, I have hereunto set my hand and affixed my official seal the day and year above written.



  
(Notary Public)

My commission expires: 5/20/12

(SIGNATURE PAGES CONTINUE)







**UNOFFICIAL COPY****EXHIBIT A**

THAT PART OF THE WEST HALF OF GOVERNMENT LOT 1 IN THE NORTHEAST QUARTER OF SECTION 2 AND THAT PART OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE NORTHEASTERLY LINE OF DENNIS SUBDIVISION (WHICH SUBDIVISION IS DESCRIBED IN PLAT RECORDED AS DOCUMENT 4009563 IN BOOK OF PLATS #378 PAGE 38 RECORDED AUGUST 11, 1949) 25 FEET NORTHWESTERLY OF THE MOST EASTERLY CORNER OF SAID LOT 11 OF SAID SUBDIVISION, RUNNING THENCE SOUTHWESTERLY ON A LINE PARALLEL WITH THE SOUTHEASTERLY LINE OF SAID LOT 11 AND THE SAME EXTENDED SOUTHWESTERLY TO THE NORTHEASTERLY LINE OF THE RIGHT OF WAY OF PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS; THENCE NORTHWESTERLY ALONG THE LAST MENTIONED LINE TO ITS POINT OF INTERSECTION WITH THE NORTHWESTERLY LINE OF LOT 7 OF SAID SUBDIVISION PRODUCED TO THE NORTHEASTERLY LINE OF THE RIGHT OF WAY OF THE PUBLIC SERVICE COMPANY OF NORTHERN ILLINOIS; THENCE RUNNING NORTHEASTERLY ALONG THE SAID PRODUCED LINE OF SAID LOT 7 TO THE MOST NORTHERLY CORNER OF SAID LOT 7; THENCE RUNNING SOUTHEASTERLY ALONG THE NORTHEASTERLY LINE OF SAID DENNIS SUBDIVISION TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PINS: 04-02-202-033

04-02-202-038

Address: 270 SKOKIE ROAD  
NORTHBROOK, ILLINOIS

60062