

# UNOFFICIAL COPY



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RECORDING REQUESTED BY  
~~AND WHEN RECORDED RETURN TO:~~

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Washington, DC 20036  
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Doc#: 1308518011 Fee: \$52.00  
RHSP Fee:\$10.00 Affidavit Fee:  
Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 03/26/2013 08:59 AM Pg: 1 of 8

(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 the 1<sup>st</sup> day of March, 2013, by and between **GREENWOOD CARE, L.L.C.** an Illinois limited liability company ("Mortgagor" or "Lessor"), as lessor under the lease hereinafter described, and **GREENWOOD CARE, INC.**, an Illinois corporation ("Operator" or "Lessee"), as lessee under the lease hereinafter described, in favor of **CAMBRIDGE REALTY CAPITAL LTD. OF ILLINOIS**, an Illinois 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 March 1, 2013 (the "Mortgage"), in favor of Lender and covering certain real property (the "Property") located in the 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"), and which Mortgage is being recorded concurrently herewith; and

WHEREAS, Lessor and Lessee are parties to that certain Amended and Restated Lease Agreement dated as of November 5, 2009, as amended by that certain First Amendment to Amended and Restated Lease Agreement dated as of even date herewith (the "Lease"), covering the Improvements 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.

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

8

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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 (i) 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 (ii) 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 herein below, 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.

6. Subordination of Lease to Mortgage and Regulatory Agreements and Regulation by 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 of (i) the Mortgage on the Lessor's interest in the Property in favor of FHA Mortgagee, its successors and

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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 the U.S. Department of Housing and Urban Development to be recorded against the Property, and (iii) that certain Regulatory Agreement Nursing Homes between Tenant and the U.S. Department of Housing and Urban Development to be recorded against the Premises.

(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 HUD Program Obligations (as such term is defined below), the HUD Program Obligations shall be controlling.

(c) In the event HUD, at a foreclosure sale or sale under private power contained in the Mortgage, or by acceptance of a deed in lieu of foreclosure, succeeds to the interest of Lessor under the Lease by reason of any foreclosure of the Mortgage or the acceptance by HUD of a deed in lieu of foreclosure, or by any other manner, it is agreed as follows:

(i) HUD can terminate the Lease (A) for any violation of the Lease that is not cured within any applicable notice and cure period given in the Lease, (B) for any violation of Lessee's Regulatory Agreement or other HUD Program Obligations or Health Care Requirements (both as defined below) that is not cured within thirty (30) days after receipt by Lessee of written notice of such violation; provided, however, that if such cure reasonably requires more than thirty (30) days to cure, HUD may not terminate the Lease if Lessee commences such cure within such thirty (30) day period and thereafter, diligently prosecutes such cure to completion, or (C) if HUD, as a result of the occurrence of either of the events described in the foregoing items (A) or (B), is required to advance funds for the operation of the facility located on the Property.

(ii) As used in this Agreement:

(A) "HUD Program Obligations" shall mean all applicable statutes and regulations, including all amendments to such statutes and regulations, as they become effective, and all applicable requirements in HUD handbooks, notices and mortgagee letters that apply to the Property, including all updates and changes to such handbooks, notices and mortgagee letters that apply to the Property, except that changes subject to notice and comment rulemaking shall become effective upon completion of the rulemaking process.

(B) "Health Care Requirements" shall mean, relating to the Property, all federal, state, county, municipal and other governmental statutes, laws, rules, orders, regulations, ordinances, judgments, decrees and injunctions or agreements, in each case,

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pertaining to or concerned with the establishment, construction, ownership, operation, use or occupancy of the Property or any part thereof as a skilled nursing facility, and all material permits, licenses and authorizations and regulations relating thereto, including all material rules, orders, regulations and decrees of and agreements with health care authorities pertaining to the Property.

(d) To the extent there is any inconsistency between the terms of this Subordination Agreement, and the Lease, the terms of this Subordination 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:

Cambridge Realty Capital Ltd. of Illinois  
125 South Wacker Drive, Suite 1800-A  
Chicago, IL 60606  
Attention: Anthony T. Marino

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.

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.

**[SIGNATURE PAGE FOLLOWS]**


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

**MORTGAGOR / LESSOR:**

**GREENWOOD CARE, L.L.C.,**  
an Illinois limited liability company

By: Greenwood Care Management, Inc.,  
an Illinois corporation, its Manager

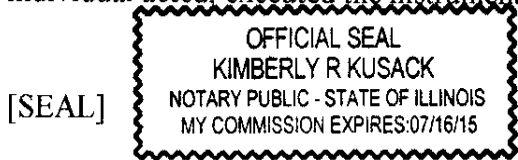
By:   
Thomas Winter  
Treasurer

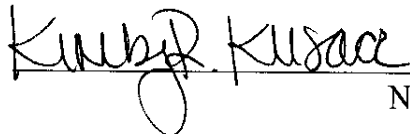
Property of Cook County Clerk's Office

**ACKNOWLEDGMENT**

STATE OF ILLINOIS                     )  
   ) ss:  
COUNTY OF COOK                     )

On this 19<sup>th</sup> day of March, 2013, before me, the undersigned, a Notary Public in and for said State, personally appeared Thomas Winter, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.



  
Notary Public

My Commission Expires: 7/16/15

[SIGNATURES CONTINUE ON THE SUCCEEDING PAGE]

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**LESSEE:**

**GREENWOOD CARE, INC.,**  
an Illinois corporation

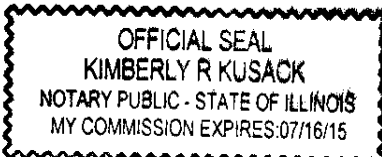
By: *Thomas Winter*  
Thomas Winter  
Treasurer

Property of Cook County Clerk's Office

**ACKNOWLEDGMENT**

STATE OF ILLINOIS )  
) ss:  
COUNTY OF COOK )

On this 19<sup>th</sup> day of March, 2013, before me, the undersigned, a Notary Public in and for said State, personally appeared Thomas Winter, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[SEAL] 

*Kimberly R. Kusack*  
Notary Public

My Commission Expires: 7/16/15

**[SIGNATURES CONTINUE ON THE SUCCEEDING PAGE]**

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**FHA MORTGAGEE:**

**CAMBRIDGE REALTY CAPITAL LTD.  
OF ILLINOIS, an Illinois corporation**

By: *Anthony T. Marino*  
Anthony T. Marino  
Assistant Secretary

Property of Cook County Clerk's Office

**ACKNOWLEDGMENT**

STATE OF ILLINOIS )  
) ss:  
COUNTY OF COOK )

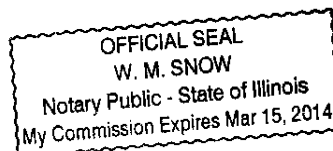
On this 25<sup>th</sup> day of March, 2013, before me, the undersigned, a Notary Public in and for said State, personally appeared Anthony T. Marino, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

[SEAL]

*W. M. Snow*

Notary Public

My Commission Expires: \_\_\_\_\_



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## EXHIBIT A

**LEGAL DESCRIPTION FOR  
GREENWOOD CARE  
FEDERAL HOUSING ADMINISTRATION  
PROJECT NO. 071-22253**

PARCEL 1

LOT 8 IN LAKESIDE SUBDIVISION OF BLOCK 30 IN THE VILLAGE OF EVANSTON, IN SECTION 18, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY ILLINOIS, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 3, 1982 AS DOCUMENT 399919. ✓

PARCEL 2:

EASEMENT FOR THE BENEFIT OF PARCEL 1 FOR PARKING AS CREATED BY GRANT OF EASEMENT RECORDED JUNE 3, 1983 AS DOCUMENT 26629165 AND AS MODIFIED BY DECLARATION RE EASEMENT RECORDED FEBRUARY 26, 1987 AS DOCUMENT 87109755 AND AS MODIFIED BY CORRECTIVE DECLARATION RE EASEMENT RECORDED OCTOBER 30, 2009 AS DOCUMENT NUMBER 0930356020.

Permanent Real Estate Index Nos.:

11-18-324-019, vol. 057 (Affects: Parcel 1)

11-18-330-011, vol. 057 (Affects: Parcel 2 and other property)

Property Address:

1406 Chicago Avenue, Evanston, Illinois 60201