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ATTORNMEN, SUBORDINATION AND
NONDISTURBANCE AGREEMENT - LAKE COUNTY
NURSING AND REHABILITATION CENTER, L.L.C.

This Agreement is dated as of Sept 1, 1995 and is made by and between LAKE COUNTY NURSING AND REHABILITATION CENTER, L.L.C. ("Tenant") and COLE TAYLOR BANK ("Lender").

P R E A M B L E:

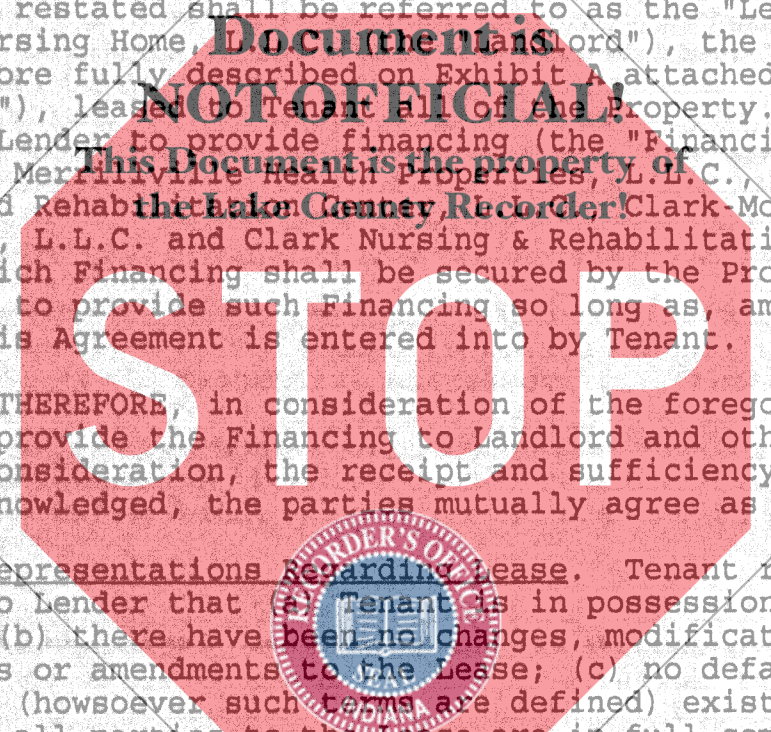
Pursuant to that certain Lease more fully described on Exhibit B attached hereto (said lease, as amended, and as may from time to time be amended, modified, substituted, extended, renewed or restated shall be referred to as the "Lease"), East Chicago Nursing Home, L.L.C. ("Landlord"), the owner of the property more fully described on Exhibit A attached hereto ("Property"), leased to Tenant all of the Property. Landlord has requested Lender to provide financing (the "Financing") from time to time to Merrillville Health Properties, L.L.C., North Lake Nursing And Rehabilitation Center, L.L.C., Clark-Mount Health Properties, L.L.C. and Clark Nursing & Rehabilitation Center, L.L.C., which Financing shall be secured by the Property. Lender has agreed to provide such Financing so long as, among other things, this Agreement is entered into by Tenant.

NOW, THEREFORE, in consideration of the foregoing, to induce Lender to provide the Financing to Landlord and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties mutually agree as follows:

1. Representations Regarding Lease. Tenant represents and warrants to Lender that (a) Tenant is in possession of the Property; (b) there have been no changes, modifications, alterations or amendments to the Lease; (c) no default or event of default (howsoever such terms are defined) exists under the Lease; (d) all parties to the Lease are in full compliance with the terms and provisions of the Lease; (e) all rent and other payments required to be paid by Tenant under the Lease as of the date of this Agreement have been paid in full; and (f) Tenant has no offsets or defenses to Tenant's performance under the Lease.

2. Attornment. Tenant covenants and agrees to attorn to Lender or any other purchaser at any foreclosure sale of the Property as its new landlord and upon such event the Lease shall continue in full force and effect as a direct lease between the Tenant and Lender or such other person, upon all terms, covenants, conditions and agreements set forth in the Lease; provided, however, that in no event shall Lender or such third person be (a) liable for any act or omission of the Landlord; (b) subject to any offsets or deficiencies which the Tenant might be

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Crown Point, Indiana



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entitled to assert against the Landlord; (c) bound by any payment of rent or additional rent made by the Tenant to the Landlord for more than one month in advance; or (d) bound by any amendment or material modification of the Lease after the date of this Agreement made without the consent of Lender.

3. Subordination of Lease. Tenant covenants and agrees that all of Tenant's right, title and interest in and under the Lease is and shall be subordinated to the lien or interest of Lender in and to the Property, and to all right, title and interest granted to Lender in and to the Property, in the same manner as if the Lease had been executed after execution, delivery and recording of Lender's interest in the Property.

4. Nondisturbance. Lender covenants and agrees that in the event that Lender or any other person exercises any of its rights, powers or remedies pursuant to any agreement, instrument or document relating to the Financing with respect to the Property, and Lender or any other person acquires title to the Property pursuant to the exercise of any such right, power or remedy, and provided that the Tenant is not then in default under the Lease, then the Tenant's Lease shall not be disturbed by Lender's or any third parties' exercise of any of such rights, powers or remedies.

5. Amendment, Modifications. This Agreement may not be modified other than by agreement in writing signed by Lender and Tenant, or by their respective successors in interest.

6. Binding Agreement. This Agreement shall inure to the benefit of and shall be binding upon Lender and its successors and assigns, and be binding upon Tenant and its successors and assigns.

7. Counterparts. This Agreement may be executed in any number of counterparts, each of which counterparts, once executed and delivered, shall be deemed to be an original and all of which counterparts taken together, shall constitute but one and the same Agreement.

IN WITNESS WHEREOF, the authorized representatives of the parties have executed this Agreement on the day and year first set forth above.

ATTEST:

LAKE COUNTY NURSING AND
REHABILITATION CENTER, L.L.C.

By: Thomas B. Hein
Title: Manager

By: Eric A. Rothner
Name: Eric A. Rothner
Title: Manager

ATTEST:

COLE TAYLOR BANK

By: Neale Gripenstrog
Neale Gripenstrog
Title: Dr VP

By: Randall B. Soderman VP
Randall B. Soderman
Title: _____



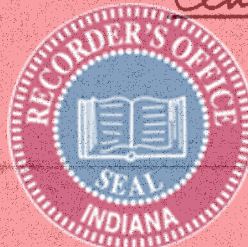
TENANT

STATE OF ILLINOIS
~~INDIANA~~)
COUNTY OF Cook) SS.

The Undersigned, a Notary Public in and for said County in the state aforesaid, DO HEREBY CERTIFY THAT Eric A. Rothner and Thomas B. Hein, of LAKE COUNTY NURSING AND REHABILITATION CENTER, L.L.C. personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Manager and Manager respectively, appeared before me this 1st day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act, and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth; and said person then and there acknowledged that such person, as custodian of the seal of said company, did affix the corporate seal of said company to said instrument as such person's own free and voluntary act and as the free and voluntary act of said Company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 1st day of Sept, A.D., 1995.

Anna Maria Bernardi
NOTARY PUBLIC



"OFFICIAL SEAL"
ANNA MARIA BERNARDI
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 5/7/97

My Commission Expires:

5/7/97
[S E A L]

LENDER

STATE OF ILLINOIS)
) SS.
COUNTY OF C O O K)

The Undersigned, a Notary Public in and for said County in the state aforesaid, DO HEREBY CERTIFY THAT Randall B Soderman Vice President, and Neale Crispentrog, Jr Vice President of Cole Taylor Bank personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Randall B Soderman and Neale Crispentrog respectively, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act, and as the free and voluntary act of said Cole Taylor Bank, for the uses and purposes therein set forth; and the said Vice President S. Nre Crispentrog and there acknowledged that such person, as custodian of the corporate seal of said Bank, did affix the corporate seal of said Bank to said instrument as such person's own free and voluntary act and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 31st day of AUGUST A.D., 1995.

Merle Gallagher
NOTARY PUBLIC

My Commission Expires:

OFFICIAL SEAL
MERLE GALLAGHER
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES: 10/24/98

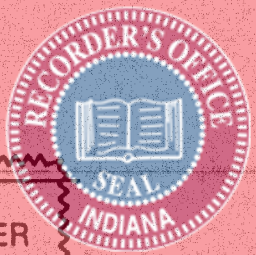
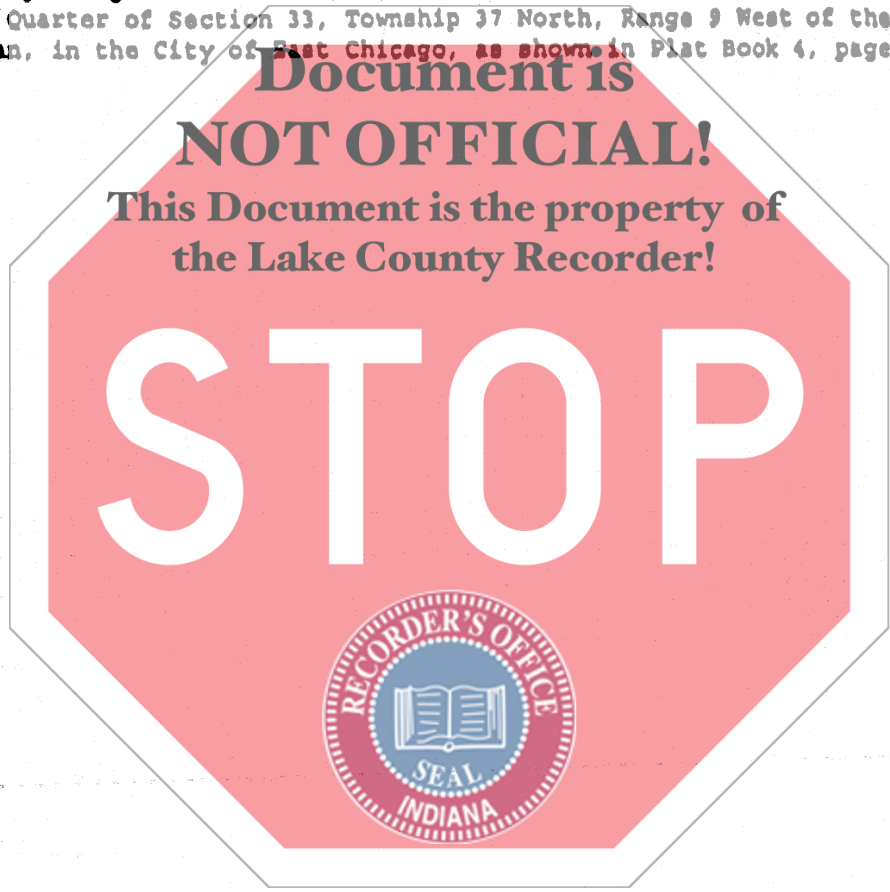


EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1: Lots 11, 12, 13 and 14, and the vacated alley lying East and adjoining Lots 11, 12 and 13 and lying West and adjoining Lot 14; and the North Half of the vacated alley lying South and adjoining said Lot 14, Peto's Addition, in the City of East Chicago, as shown in Plat Book 6, page 12, in Lake County, Indiana.

PARCEL 2: The South 167 feet of Lot 33, Block 5, and the South Half of the vacated alley lying North and adjoining the East 135.27 feet thereof, in Subdivision of the North Half of the Northwest Quarter of Section 33, Township 37 North, Range 9 West of the Second Principal Meridian, in the City of East Chicago, as shown in Plat Book 4, page 4, in Lake County, Indiana.



**EXHIBIT B TO
ATTORNMEN, SUBORDINATION AND NONDISTURBANCE AGREEMENT**

1. Lease Agreement dated June 15, 1995 between Landlord and Tenant with respect to the Property.

