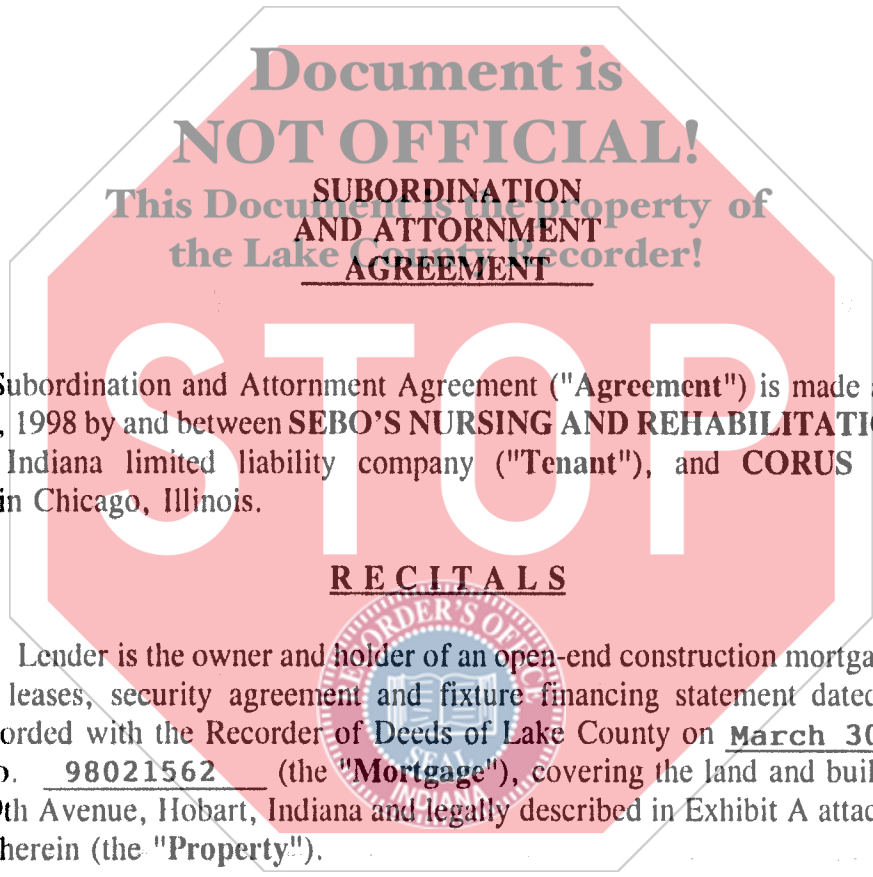


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Document prepared by and after recording to be returned to:

Daniel Kohn, Esq.
Holleb & Coff
55 E. Monroe, Suite 4100
Chicago, IL 60603

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD
98 APR - 6 AM 10:17
MORTGAGE



This Subordination and Attornment Agreement ("Agreement") is made as of this 6th day of March, 1998 by and between SEBO'S NURSING AND REHABILITATION CENTER, L.L.C., an Indiana limited liability company ("Tenant"), and CORUS BANK, N.A. ("Lender"), in Chicago, Illinois.

RECITALS

A. Lender is the owner and holder of an open-end construction mortgage, assignment of rents and leases, security agreement and fixture financing statement dated of even date herewith, recorded with the Recorder of Deeds of Lake County on March 30, 1998, as Document No. 98021562 (the "Mortgage"), covering the land and building known as 4410 West 49th Avenue, Hobart, Indiana and legally described in Exhibit A attached hereto and incorporated herein (the "Property").

B. Tenant is the lessee of certain premises (the "Demised Premises") under and pursuant to provisions of a certain Lease Agreement between Sebo's Care Center Properties, L.L.C., an Indiana limited liability company, as assignee ("Landlord") and Tenant, as assignee (said Lease as the same may be hereafter modified, amended or extended from time to time is hereinafter collectively referred to as the "Lease").

C. Lender has required the execution of this Agreement as a condition of making such mortgage loan to Landlord.

HOLD FOR FIRST AMERICAN TITLE
FC23318A

24/02
ka

AGREEMENT

For good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. **Subordination.** The parties hereby agree that the Lease is and shall at all times be subject and subordinate in all respects to the lien of the Mortgage, to all indebtedness and obligations secured thereby, and to all renewals, modifications, extensions, substitutions, rearrangements and replacements thereof.

2. **Attornment.** If the interests of the Landlord in the Property and under the Lease or any portion thereof are acquired by Lender, whether by purchase and sale, foreclosure, deed in lieu of foreclosure or in any other proceeding made or brought to enforce the rights of Lender, or by any successor to Lender, including without limitation any purchaser at a foreclosure sale, Tenant shall be bound to Lender, its successors and assigns under all of the terms, covenants and conditions of the Lease for the balance of the term thereof, with the same force and effect as if they were named as landlord under the Lease, and Tenant does hereby attorn to Lender, its successors and assigns as its landlord, said attornment to be effective and self-operative immediately upon Lender's or its successor's or assign's succeeding to the interests of the Landlord in the Property and under the Lease, without the execution of any other or further instruments on the part of any party hereto. Tenant covenants and agrees from time to time to do all acts and to execute all instruments as may reasonably be requested by Lender for the purposes of fully carrying out and effectuating the purpose and intent of this Agreement, whether by filing with any public office or agency or otherwise.

3. **Termination of Lease.** Notwithstanding anything to the contrary contained herein or in the Lease, in the event the interests of the Landlord in the Property and under the Lease or any portion thereof are acquired by Lender, whether by purchase and sale, foreclosure, deed in lieu of foreclosure or in any other proceeding made or brought to enforce the rights of Lender, or by any successor to Lender, including without limitation any purchaser at a foreclosure sale, Lender may, at its sole discretion, upon not less than five (5) days prior written notice to Tenant, terminate the Lease.

4. **Limitation on Lender's Liability.** If Lender succeeds to the interests of Landlord in the Property and under the Lease, Lender shall thereupon be bound to Tenant under all of the terms, covenants and conditions of the Lease, and Tenant shall, from and after Lender's succession to the interests of Landlord, have the same rights and remedies against Lender for breach of the Lease that Tenant would have had under the Lease against Landlord if Lender had not succeeded to the interests of Landlord; provided, however, that Lender shall

be not be: (a) liable for any act or omission of any prior landlord (including without limitation Landlord); (b) subject to any offsets or defenses which Tenant might have against any prior landlord (including without limitation Landlord); (c) bound by any surrender, cancellation, agreement or modification of the Lease made without the prior written consent of Lender; or (d) bound to return Tenant's security deposit, if any, until such deposit has come into Lender's (or such successor's) actual possession and Tenant would be entitled to such security deposit under the Lease. Lender shall be bound by Tenant's payment of no more than one (1) month's rent in advance under the Lease unless otherwise approved by Lender.

5. **No Modification.** Tenant agrees that during the term of the Lease, Tenant will not enter into any amendment, modification, cancellation or surrender of the Lease without Lender's prior written consent.

6. **No Merger.** Unless Lender shall otherwise expressly agree in writing, fee title to the Property and the leasehold estate created by the Lease shall not merge but shall remain separate and distinct, notwithstanding the union of said estates either in Landlord, in Tenant or in any third party, by purchase, assignment or in any other matter.

7. **Representations and Warranties.** Tenant hereby represents and warrants to Lender that: (a) it knows of no default on the part of either party under the Lease; (b) the Lease is a complete statement of the agreement of the parties thereto with respect to the leasing of the Property; (c) the Lease is in full force and effect; and (d) all conditions to the commencement and continuing effectiveness of the Lease required to be satisfied by the date hereof have been satisfied.

8. **Notice to Lender.** Tenant shall give Lender copies of all notices and other communications given by the Tenant to the Landlord relating to (a) defaults on the part of the Landlord under the Lease, (b) any violations of any ordinances, statutes, laws, rules, codes, regulations or requirements of any governmental agency have jurisdiction over the Property, and (c) any proposed or actual assignment or subletting of all or any portion of the Demised Premises. Prior to pursuing any remedy available to Tenant under the Lease, at law or in equity which Tenant may have as a result of any failure of Landlord to perform or observe any covenant, condition, provision or obligation to be performed or observed by Landlord under the Lease (any such failure hereunder referred to as a "**Landlord's Default**"), Tenant shall provide Lender with a notice of Landlord's Default (the "**Tenant's Notice**"), which notice may be sent concurrently with any similar notice to Landlord, specifying the nature thereof and the remedy which Tenant will elect under the terms of the Lease or otherwise. Lender shall have thirty (30) days from the date of Tenant's Notice, or such greater time period as available to Landlord under the Lease, within which to commence to cure Landlord's Default and diligently proceed to complete such cure at all times thereafter. Tenant shall not pursue any remedy available to

it as a result of any Landlord's Default unless Lender fails to commence within the time period set forth above or thereafter fails to diligently pursue a cure of any Landlord's Default.

9. **Access.** Notwithstanding the provisions of the Lease, if Tenant shall not have provided Lender with access to the Demised Premises, and if access is required to remedy such default, the period of time set forth in the Lease in which to remedy same shall not commence until such access is provided to Lender.

10. **Notices.** Notices shall be in writing and shall be given by personal delivery, overnight courier, or by mail addressed as set forth below. Notice by personal delivery shall be deemed effective upon the delivery of such notice to the party for whom it is intended at the recipient's address. Notice by overnight courier shall be deemed effective twenty-four (24) hours after deposit with a commercial courier or delivery service for overnight delivery within the United States, or on the third (3rd) business day after deposit with an international second day delivery service (as applicable). Notice by mail shall be made by certified or registered mail, return receipt requested, postage prepaid, properly stamped, sealed and addressed, and shall be deemed effective on the third (3rd) business day after deposit in the United States mail. Either party may give notice of any change of address in accordance with the notice procedures described herein.

TO TENANT:

Sebo's Nursing and Rehabilitation Center, L.L.C.
c/o Extended Care Management
5301 West Touhy Avenue
Skokie, Illinois 60077

TO LENDER:

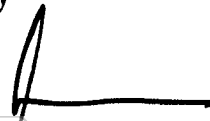
Corus Bank, N.A.
4800 N. Western Avenue
Chicago, Illinois 60625
Attention: John P. Ascher

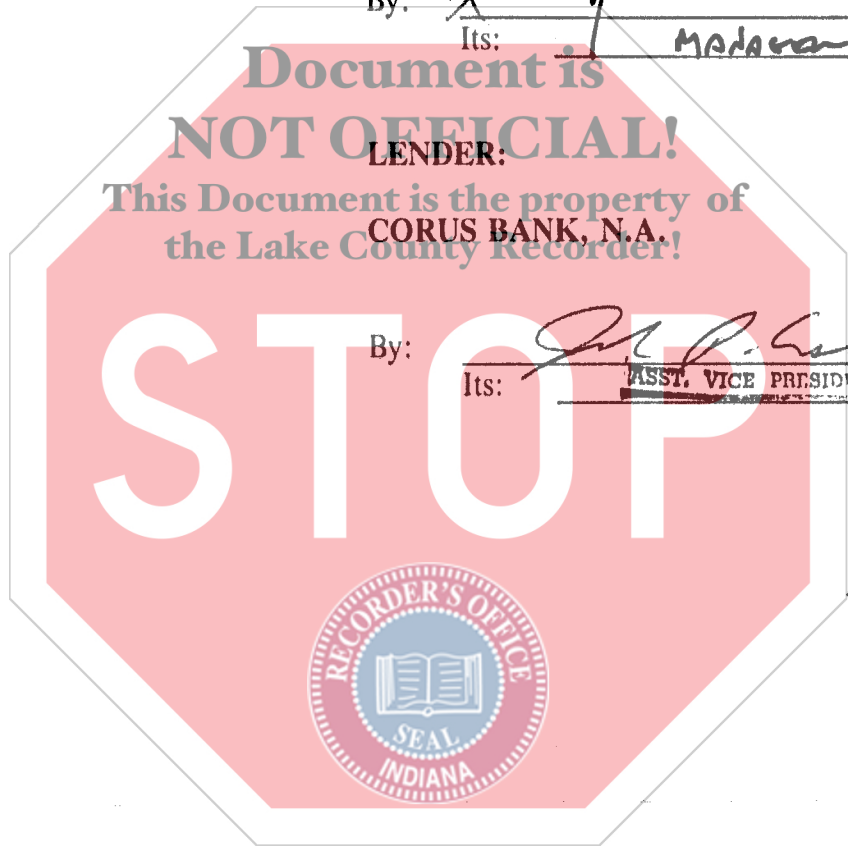
11. **Miscellaneous.** This Agreement may not be amended or modified except by an agreement in writing signed by the party to be charged. If any action or proceeding is brought by any party against any other party arising from or related to this Agreement or the Lease, the prevailing party shall be entitled to recover its reasonable costs and attorneys' fees. This Agreement shall inure to the benefit of and be binding upon the parties hereto, their heirs, representatives, successors and assigns. This Agreement shall be governed and construed under the laws of the State of Illinois. Time is of the essence. This document represents the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, representations and covenants.

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

TENANT:

SEBO'S NURSING AND REHABILITATION CENTER, L.L.C., an Indiana limited liability company

By: X 
Its: Madava



By: 
Its: ASST. VICE PRESIDENT

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, JEANNE M. MILLER, a Notary Public in and for said County in the State aforesaid, do hereby certify that ERIK ROYMER, the MANAGER of Sebo's Nursing and Rehabilitation Center, L.L.C., personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered such instrument as own free and voluntary acts and as the free and voluntary act of said limited partnership, for the uses and purposes set forth therein set forth.

Given under my hand and notarial seal on this 16th day of March, 1998.

Document is NOT OFFICIAL!
This Document is the property of the Lake County Recorder!

Jeanne M. Miller
Notary Public

"OFFICIAL SEAL"
JEANNE M. MILLER
Notary Public, State of Illinois
My Commission Expires 11/04/01

RECORDER'S OFFICE
SEAL
INDIANA

STATE OF Illinois)
) SS.
COUNTY OF Cook)

I, Doreen L. Rondo, a Notary Public in and for said County in the State aforesaid, do hereby certify that John P. Aschen, the ASST. VICE PRESIDENT of Corus Bank, N.A. (the "Bank"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such ASST. VICE PRESIDENT, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her 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 16th day of March, 1998.

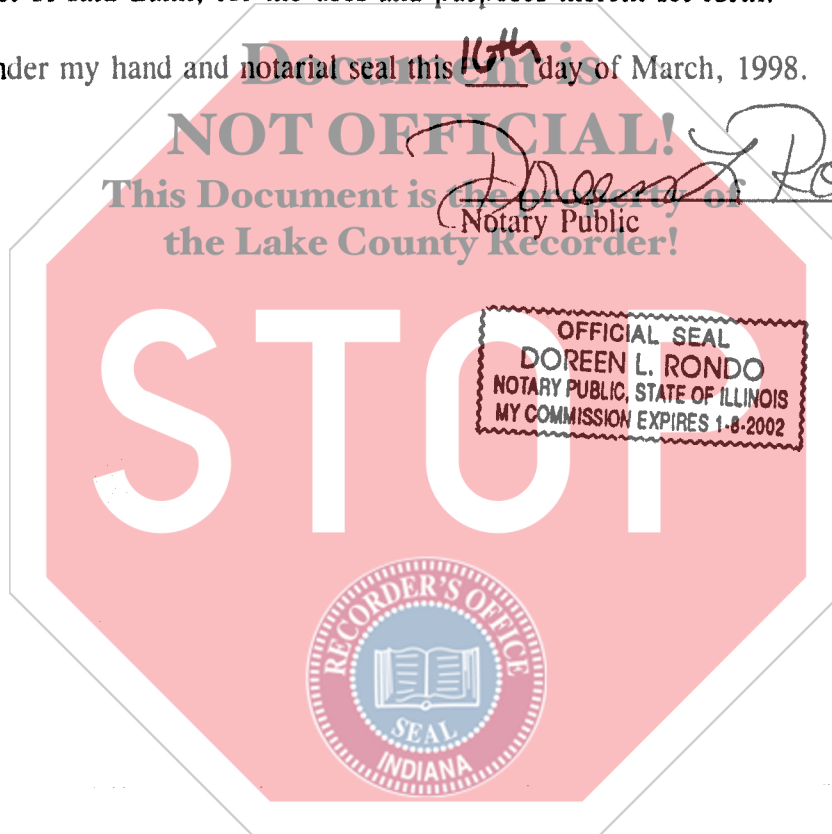


EXHIBIT "A"
LEGAL DESCRIPTION

Lot 1 in Sebo's Heritage Manor to the City of Hobart, as per Plat thereof, Recorded in Plat Book 81, Page 53, in the Office of the Recorder of Lake County, Indiana.

P.I.N.: 17-37-46, 74 and 77 Unit 27
Future Key #18-378-1

Common Address: 4410 West 49th Avenue
Hobart, Indiana

