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Katten Muchin Rosenman LLP
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Attn: Jeffrey L. Elegant

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Cook County Recorder of Deeds
Date: 10/29/2012 11:07 AM Pg: 1 of 13

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COLLATERAL ASSIGNMENT OF LEASES, RENTALS, AND PROPERTY INCOME

This **COLLATERAL ASSIGNMENT OF LEASES, RENTALS AND PROPERTY INCOME** (the "**Assignment**") is made as of this 24 day of August, 2012 by **NILES NURSING REALTY LLC**, an Illinois (united liability company with a mailing address at 1230 Ridgedale Road, South Bend, Indiana 46615 (the "**Borrower**"), to **CAPITAL ONE, NATIONAL ASSOCIATION**, with an address of 4445 Willard Avenue, Chevy Chase, Maryland 20815 (the "**Lender**").

WITNESSETH:

For the purpose of securing (a) the prompt and complete payment of all sums and indebtedness now or at any time hereafter due Lender (the "**Mortgage Debt**") under or in respect to a Term Loan Agreement by and between Borrower and Lender dated of the date herewith ("**Loan Agreement**"), as well as a Term Note of even date herewith in the original principal amount of SIXTEEN MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$16,500,000), executed and delivered by Borrower to Lender, including any extensions or renewals thereof (the "**Note**"), the payment in full of which is secured by a Mortgage and Security Agreement of even date herewith (the "**Mortgage**"), pursuant to which Borrower has granted to Lender a mortgage lien on the Property (as defined herein) the Mortgage and every other instrument now or hereafter securing, evidencing or relating to the Mortgage Debt (together with the Loan Agreement, the Note and the Mortgage collectively referred to herein as the "**Loan Documents**"), and (b) the performance and discharge of each and every obligation, covenant and agreement contained herein and in the Loan Documents; Borrower hereby grants, transfers and assigns to Lender the following:

(A) Leases. All right, title and interest of Borrower in and to all leases, tenancies or rights of use and occupancy, with amendments, if any, and any extensions, renewals or guaranties of the tenants' obligations thereunder, now or hereafter on or affecting all or part of the property described on Schedule A attached hereto and the improvements thereon (the "**Property**"), whether or not recorded, together with all those leases listed on Schedule B attached hereto, with all security therefor and all monies payable thereunder, and all books and records which reflect payments made under the leases (hereinafter the "**Leases**") in accordance with, and subject to, the terms and conditions of this Assignment; and

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(B) Property Income. All rents, income, profits, security deposits and other benefits to which Borrower may now or hereafter be entitled from the Leases, the Property, and/or the income generated from the business operations conducted at or from the Property (hereinafter the "Property Income") in accordance with, and subject to, the terms and conditions of this Assignment.

Borrower covenants, agrees, represents and warrants to Lender as follows:

SECTION 1 LEASES

Section 1.1. Borrower will not assign the Leases without the prior written consent of Lender. Lender shall have the right, at any time and from time to time, to notify any tenant of the rights of Lender provided under this Assignment.

Section 1.2. When any Lease expires or terminates, or as any new lease is made, Borrower shall so notify Lender in order that at all times Lender shall have a current list of all Leases affecting the Property. All subsequent Leases shall be and are hereby made subject to all of the terms of this Assignment. Borrower, upon Lender's request, shall further assign and transfer such subsequent Leases to Lender by an assignment in form and substance satisfactory to Lender.

Section 1.3. Borrower shall, at its sole cost and expense, perform every obligation of the landlord and shall enforce, short of termination, every obligation of and any default against the tenant in every Lease. Borrower will promptly notify Lender if Borrower transmits or receives any notice of default under any Lease, or of any change in the occupancy of the Property, and shall promptly forward a complete copy of such notice to Lender.

Section 1.4. This Assignment shall not be deemed to impose upon Lender any of the obligations or duties of Borrower provided in any Lease (including, without limitation, any liability under the covenant of quiet enjoyment contained in any Lease) in the event that any tenant shall have been joined as a party defendant in any action to foreclose this Assignment or the Mortgage and shall have been barred and foreclosed thereby of all right, title and interest and equity of redemption in the Property.

Section 1.5. Any and all tenant's security deposits under any Leases shall be deposited and pledged with Lender upon such terms as Lender may require so that they cannot be used by Borrower without Lender's consent. These deposits shall be transferred to the purchaser or redeemer of the Property in the event of a foreclosure by sale or a strict foreclosure.

Section 1.6. Borrower will not take any action which would cause any Lease to cease to be in full force and effect, and will not, except with the prior written consent of Lender: (i) cancel or terminate any Lease, or consent to any cancellation, termination or surrender thereof; (ii) amend, modify or subordinate any Lease; (iii) enter into any new Lease; (iv) waive any default under or breach of any Lease; (v) consent to any prepayment or discount of rent or

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advance rent under any Lease; or (vi) take any other action in connection with any Lease which may, impair or jeopardize the validity of such Lease or Lender's interest therein. Lender shall have the right to review and reasonably refuse written consent to any of the above proposed actions of Borrower based upon the substance of the proposed transaction, the creditworthiness of Borrower or the tenant, the financial or physical condition of the Property or otherwise.

Section 1.7. Lender shall not be obligated to perform or discharge any obligation under any Lease, or under or by reason of this Assignment, and Borrower agrees to indemnify, defend and hold harmless Lender against and from any and all liability, loss, claims, demands or damage whatsoever, including the defense thereof, which may be asserted against Lender (i) under any Lease or under or by reason of this Assignment and (ii) by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms of any Lease. Should Lender incur any such liability, loss or damage, the amount thereof shall be treated as a Lender Advance pursuant to Section 6 hereof.

Section 1.8. Borrower shall not convey the Property to any tenant now or hereafter occupying the Property or any part thereof, unless (i) Lender's prior written consent is obtained and (ii) the deed or other conveyance contains a provision in form satisfactory to Lender that the Lease of such tenant shall not merge into the fee by reason of such conveyance and that the Lease, together with the obligation to pay rent and other charges thereunder, shall continue in full force and effect.

Section 1.9. Borrower will deliver to Lender within ten (10) calendar days after any request (or such longer period of time if Borrower uses its best efforts and due diligence in obtaining such delivery) a duly acknowledged lease ratification and estoppel agreement with respect to any Lease executed by Borrower and the tenant thereunder, indicating (i) the date the original Lease term has commenced, (ii) that the Lease is in full force and effect and no default exists thereunder, (iii) that the tenant has accepted and is in possession of that portion of the Property subject to the Lease, and (iv) that no rental payments have been made more than thirty (30) days in advance of the date such payments are due except with Lender's approval.

SECTION 2 PROPERTY INCOME

Section 2.1. Borrower hereby assigns, transfers and grants a security interest to Lender in and to the Property Income to secure the Mortgage Debt. Borrower will not otherwise assign, transfer or encumber the Property Income in any manner.

Section 2.2. Subject to the terms of the Loan Agreement, Borrower may, so long as no Event of Default (under and as defined in the Loan Agreement) has occurred and is continuing, collect and use the Property Income, as the same becomes due and payable, but may not collect the Property Income more than thirty (30) days in advance of the date the same becomes due without the prior written consent of Lender. Upon the occurrence of any Event of Default, the permission hereby given to Borrower to collect the Property Income shall terminate and such permission shall not be reinstated upon a cure of such Event of Default without Lender's specific written consent.

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Section 2.3. The foregoing provisions hereof shall constitute an absolute and present assignment of the Property Income, subject, however, to the conditional permission given to Borrower to collect and use such Property Income as hereinabove provided. The existence or exercise of such right of Borrower shall not operate to subordinate this Assignment to any subsequent assignment, in whole or in part, and any such subsequent assignment by Borrower shall be subject to the rights of Lender hereunder.

SECTION 3 GENERAL REPRESENTATIONS AND WARRANTIES

Borrower represents and warrants that:

Section 3.1. Borrower has not executed any prior assignment or pledge of any of its rights, nor are its rights encumbered, with respect to the Leases or the Property Income, except as encumbered by the Mortgage and this Assignment;

Section 3.2. Borrower has good right to assign the Leases and the Property Income;

Section 3.3. Borrower has not done anything which might prevent Lender from or limit Lender in acting under this Assignment,

Section 3.4. Borrower has not accepted Property Income under the Leases or under any rental or occupancy agreement more than thirty (30) days in advance of its due date;

Section 3.5. The Leases are valid and enforceable and unmodified except as stated in Schedule C attached hereto, and there is no present default by any party thereto; and

Section 3.6. All present Leases, together with all amendments and modifications thereto and all collateral agreements, letter agreements, waivers, and other documents affecting the Leases, if any, are listed on Schedule B attached hereto. True and correct copies of the Leases have been furnished to Lender.

SECTION 4 POSSESSION OF PROPERTY; APPOINTMENT OF RECEIVER

Section 4.1. Whenever an Event of Default (under and as defined in the Loan Agreement including a default in any of the terms hereof) shall have occurred and be continuing, Lender may, at its option, without notice to Borrower, without regard to the adequacy of the security for the Mortgage Debt, without proof of depreciation of the value of the Property, and without regard to the financial condition of Borrower:

- (i) By itself or by agent, with or without bringing any action, suit or proceeding, immediately enter upon and take possession and control of the Property and the Property Income with those rights and powers more particularly set forth in Section 4.3.

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(ii) Make application to a court of competent jurisdiction for and obtain the immediate ex parte appointment of a receiver authorized to immediately enter upon and take possession and control of the Property and the Property Income with those rights and powers more particularly set forth in Section 4.3.

(iii) Without taking possession and control of the Property, immediately commence action to collect directly all Property Income due to Borrower with full rights and powers to notify all applicable parties to make payments of Property Income directly to Lender or its agents, and Lender or its agents shall have the further power and authority to sue for or otherwise collect and receive all Property Income.

Section 4.2. Borrower hereby waives to the fullest extent permitted by law all rights to prior notice or court hearing in connection with any action by Lender of the types set forth in Section 4.1, and Borrower further waives any requirement that Lender provide any bond, surety, or other security in connection with any said action.

Section 4.3. In the event Lender, Lender's agent and/or a receiver enters upon and takes possession and control of the Property and/or the Property Income pursuant to Section 4.1, said person or entity shall have all of Borrower's rights and powers with respect to the Property and/or the Property Income, in addition to such other rights and powers as may subsequently be authorized, including without limitation the right and power to:

- (i) hold, store, use, operate, manage and control the Property and conduct the business which is or may be conducted therefrom;
 - (ii) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements to the Property and purchase or otherwise acquire additional fixtures, personalty and other property;
 - (iii) obtain such insurance with respect to the Property and the business operations conducted therefrom as may be determined necessary;
 - (iv) manage and operate the Property and the business conducted therefrom and exercise all the rights and powers of Borrower in its name or otherwise with respect to the same;
 - (v) enter into agreements with others to exercise the powers herein granted, all as Lender, its agents or a receiver from time to time may determine;
 - (vi) collect and receive all Property Income;
 - (vii) enforce all terms of existing Leases at the Property and all other contracts or agreements pertaining to the Property or the business operations conducted therefrom;
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(viii) enter into such new or additional Leases and such other contracts or agreements pertaining to the Property or the business operations conducted at or from the Property from time to time as Lender, its agents or the receiver may determine necessary in its sole discretion.

Section 4.4. All Property Income collected by Lender, Lender's agent or a receiver pursuant to Section 4.1. hereof shall be applied to the following in such order of priority as Lender may determine in its sole discretion:

- (i) interest and principal due on the Mortgage Debt;
- (ii) taxes, assessments and insurance premiums due with respect to the Property and/or the business operations conducted from the Property;
- (iii) all costs and expenses of operating, maintaining, repairing and improving the Property and conducting the business operations which are or may be conducted at the Property; and
- (iv) the compensation, salaries, expenses and disbursements of any agents, employees, attorney's or other representatives of Lender, Lender's agents or the receiver in connection with the possession, control and/or operation of the Property and the business operations conducted therefrom, expressly including the payment of any management agent's fees, and in the event Lender manages said property itself with its own employees, Lender shall be entitled to charge and collect a management fee equal to the customary management agent's fee charged for performing similar management functions in the area where the Property is located.

Section 4.5. Lender, its agents, or any receiver acting pursuant to Section 4.1. hereof shall in no event be liable or accountable for more moneys than actually are received from the Property during the period which Lender, its agent or any receiver actually is in possession and control of the Property. Neither Lender, its agents or any receiver shall be liable or accountable in any manner for the failure to collect Property Income for any reason whatsoever.

Section 4.6. All costs, expenses and liabilities of every character incurred by Lender in managing, operating and maintaining the Property, not paid from Property Income as hereinabove provided, shall constitute and be treated as Lender Advances pursuant to Section 6.

Section 4.7. Borrower shall pay monthly, in advance, to Lender, its agent or any receiver in possession and control of the Property pursuant to Section 4.1. hereof, the fair and reasonable rental value for all or any part of the Property which is in the use, occupancy and possession of Borrower.

Section 4.8. In the event of foreclosure, Lender, its agent or any receiver acting pursuant to Section 4.1. hereof may remain in possession of the Property until (i) the foreclosure sale; (ii) the redemption of the Property; or (iii) the expiration of any redemption period of the United States of America extending subsequent to the foreclosure sale, if a deficiency exists. Lender, its

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agents or the receiver shall incur no liability for, nor shall Borrower assert any claim or setoff as a result of, any action taken while Lender, its agent or a receiver is in possession of the Property.

SECTION 5 FURTHER LENDER RIGHTS

Section 5.1. Lender may take or release other security, may release any party primarily or secondarily liable for any Mortgage Debt secured hereby, may grant extensions, renewals, or indulgences with respect to such Mortgage Debt, and may apply any other security therefor held by Lender to the satisfaction of the Mortgage Debt without prejudice to any of Lender's rights hereunder.

Section 5.2. Nothing herein contained and no act done or omitted by Lender pursuant to the powers and rights granted herein shall be deemed to be a waiver by Lender of Lender's rights and remedies hereunder or under the other Loan Documents, and this Assignment is made and accepted without prejudice to any of the rights and remedies possessed by Lender under the terms thereof.

Section 5.3. The right of Lender to collect the Mortgage Debt and to enforce any other security therefor may be exercised by Lender either prior to, simultaneously with or subsequent to any action taken hereunder.

Section 5.4. Any failure by Lender to insist upon the strict performance by Borrower of any of the terms and provisions hereof shall not be deemed a waiver of any of the terms and provisions hereof and Lender may thereafter insist upon strict performance.

Section 5.5. In addition to all other rights Lender may have at law or in equity, Lender may assign the rights hereunder to any subsequent holder of the Note.

Section 5.6. This Assignment shall be binding on Borrower, and its heirs, executors, successors and assigns and shall inure to the benefit of Lender, its successors and assigns.

Section 5.7. This Assignment may not be changed orally, but only by an agreement in writing and signed by the party or parties against whom enforcement of any waiver, change, modification or discharge is sought. In this Assignment, the use of any gender shall include the other genders and either the singular or the plural shall include the other.

Section 5.8. Borrower hereby grants to Lender, a continuing lien, security interest and right of setoff as security for all liabilities and obligations to Lender, whether now existing or hereafter arising, upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Lender or any entity under the control of Lender and its successors and assigns or in transit to any of them. At any time, without demand or notice (any such notice being expressly waived by Borrower), Lender may setoff the same or any part thereof and apply the same to any liability or obligation of Borrower even though unmatured and regardless of the adequacy of any other collateral securing the Loan. ANY AND ALL RIGHTS TO REQUIRE Lender TO EXERCISE ITS RIGHTS OR REMEDIES WITH

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RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE MORTGAGE DEBT, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF BORROWER, ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

SECTION 6 LENDER EXPENSES AND ADVANCES

Section 6.1. Borrower shall pay, indemnify and hold Lender harmless from all costs and expenses incurred with respect to enforcing and administering Lender's right to take possession and operate the Property under Section 4 hereof. Lender may, without notice or demand, pay any amount which Borrower has failed to pay, or perform any act which Borrower has failed to perform hereunder, including, without limitation, the payment of costs attendant to Lender's possession as set forth in Section 4.6 hereof and the payment of amounts for which Lender has been indemnified under this Section 6. In such event the costs, disbursements, expenses and reasonable attorney's fees thereof, together with interest thereon from the date the expense is paid or incurred, at the applicable default interest rate specified in the Loan Agreement or the Note shall be (i) added to the Mortgage Debt; (ii) payable on demand to Lender; and (iii) secured by the lien of the Mortgage and this Assignment, prior to any right, title, interest, lien or claim attaching or accruing to the Property subsequent to the lien of the Mortgage or hereof.

SECTION 7 NOTICE

Section 7.1. All notices and requests required or permitted under this Assignment (a "**Notice**") shall be given in writing and shall be effective for all purposes if either hand delivered with receipt acknowledged, or by a nationally recognized overnight delivery service (such as Federal Express), or by certified or registered United States mail, return receipt requested, postage prepaid, in each case addressed as follows (or to such other address or Person as a party shall designate from time to time by notice to the other party):

If to Borrower: Niles Nursing Realty, LLC, 1230 Ridgedale Road, South Bend, Indiana 46615 Attn: Moishe Gubin, (Email: caterenco@yahoo.com).

with a copy to: David Gross, Esq. 240 Fenel Lane, Hillside, Illinois 60162, (Email: david.gross@infinityhcm.com).

If to Lender: Capital One, National Association, Commercial & Specialty Finance, 4445 Willard Avenue, 6th Floor, Chevy Chase, MD 20815 Attn: Anthony Romero (Email: anthony.romero@capitalone.com) (Facsimile (____) ____-____).

with a copy to: Katten Muchin Rosenman LLP, 525 West Monroe Street, Chicago, Illinois 60661, Attn: Jeffrey Elegant, (Email: jeff.elegant@kattenlaw.com), (Facsimile: (312) 577-4676).

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A Notice shall be deemed to have been given: in the case of hand delivery, at the time of delivery; in the case of registered or certified mail, when delivered or the first attempted delivery on a Business Day; in the case of overnight delivery, upon the first attempted delivery on a Business Day.

SECTION 8 GOVERNING LAW

Section 8.1. This Assignment and the rights and obligations of the parties hereunder shall be construed and interpreted in accordance with the laws of the State of Maryland (the "*Governing State*") (excluding the laws applicable to conflicts or choice of law).

Section 8.2. BORROWER AGREES THAT ANY SUIT FOR THE ENFORCEMENT OF THIS ASSIGNMENT OR ANY OF THE OTHER LOAN DOCUMENTS MAY BE BROUGHT IN THE COURTS OF THE STATE OF MARYLAND OR ANY FEDERAL COURT SITTING THEREIN AND CONSENTS TO THE NONEXCLUSIVE JURISDICTION OF SUCH COURT AND SERVICE OF PROCESS IN ANY SUCH SUIT BEING MADE UPON BORROWER BY MAIL AT THE ADDRESS STATED ON THE COVER PAGE HEREOF. BORROWER HERELY WAIVES ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE VENUE OF ANY SUCH SUIT OR ANY SUCH COURT OR THAT SUCH SUIT IS BROUGHT IN AN INCONVENIENT FORUM.

SECTION 9 TERMINATION OF ASSIGNMENT

Upon the payment in full of the Mortgage Debt, as evidenced by the recording or filing of a full release of the Mortgage executed by the then holder of the Mortgage, this Assignment shall become and be void and of no effect.

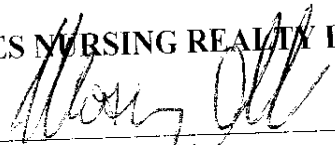
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[Signature Page to Collateral Assignment of Leases and Rents]

IN WITNESS WHEREOF, the undersigned has executed this Assignment as of the date first set forth above.

NILES NURSING REALTY LLC

By: 

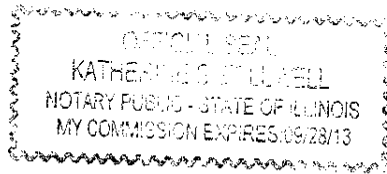
Name: Moishe Gubir

Its: Manager

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STATE OF Illinois)
)
COUNTY OF Cook)



On this the 24 day of August, 2012, before me, the undersigned officer, personally appeared Moishe Gubin known to me (or satisfactorily proven) to be the Manager of Niles Nursing Realty LLC, an Illinois limited liability company and acknowledged that **he** executed the same for the purposes therein contained as **his** free act and deed and the free act and deed of said limited liability company.

In Witness Whereof I hereunto set my hand.

Katherine S. Stillwell
Notary Public/My Commission Expires: 9/28/13

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Schedule A

Description of Property

LOTS 17,18,19,20, 21 AND 22 IN ARTHUR T. MCINTOSH AND COMPANY'S GLENVIEW ACRES, BEING A SUBDIVISION OF PART OF LOT 3 IN OWNERS SUBDIVISION IN SECTION 11, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, ACCORDING TO THE PLAT THREE OF RECORDED FEBRUARY 20, 1943, AS DOCUMENT NUMBER 13 033 467 IN COOK, COUNTY ILLINOIS.

Commonly known as: 9777 Greenwood. Niles, Illinois 60714

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Schedule B

Leases

Lease Agreement between Niles Nursing Realty LLC and Niles Nursing & Rehabilitation Center LLC

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