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91092258

ASSIGNMENT OF LEASES AND RENTS

THIS ASSIGNMENT, made as of February 28, 1991, by COVENANT HEALTH CARE CENTER, INC. (hereinafter called "Assignor"), an Illinois non-profit corporation, in favor of M & I FIRST NATIONAL BANK, West Bend, Wisconsin, a national banking association organized under the laws of the United States of America (hereinafter called "Assignee"),

BEFORE ME, the undersigned authority, on this 28th day of February, 1991, personally appeared _____, known to me to be the Assignor, and _____, known to me to be the Assignee, and acknowledged to me that they executed the foregoing instrument for the purposes and consideration therein expressed. My commission expires _____.

WITNESSETH:

As security only for the payment of the principal and any premium which may be due and payable on and the interest on all the Private Master Notes (as such term is defined in the Amended and Restated Second Supplemental Master Trust Indenture, Mortgage and Security Agreement (as may be amended and supplemented from time to time, the "Second Supplemental Indenture"), dated as of February 28, 1991 among the Obligated Issuers (as such term is therein defined), including the Assignor, and the Assignee, as Master Trustee) in accordance with their tenor and effect, and the performance and observance by the Obligated Issuers of all the covenants and conditions contained in the Private Master Notes and the Master Trust Indenture (as may be amended and supplemented from time to time, the "Master Indenture") dated as of August 1, 1986 among the Obligated Issuers and the Assignee, as Master Trustee, including without limitation, Article V, thereof), including, but not limited to, obligations and all liabilities of each Obligated Issuer as a guarantor pursuant to Section 5.1 of the Master Indenture of all Private Master Notes at any time issued and outstanding and under the Indenture, the undersigned, owner of certain property described in Exhibit A hereto, does hereby sell, assign and transfer to Assignee, its successors and assigns, all its right, title and interest, as lessor (or as the party otherwise entitled to the receipt of moneys under any of the following described instruments), in, to and under any and all leases, rental agreements, occupancy agreements or similar agreements for occupation (including, without limitation, all care or life care contracts), now or hereafter covering or affecting any or all of the property described in Division I of the Second Supplemental Indenture, together with all rents and other sums, due or becoming due thereunder, all security therefor and all other powers, privileges and benefits to which Assignor may now or hereafter be entitled in respect of such instrumentality, with full right and authority to operate, maintain, manage and lease such property, or any part thereof, to collect all rents and other sums and to give receipts and acquittances therefor, but which assignment shall not include accounts receivable of the type contemplated by clause (viii) of the definition of Permitted Encumbrances in the Master Indenture.

This Assignment shall cover and apply to any leases, contracts and assignments now or during the term of the Second Supplemental Indenture, in effect. No payment of rents to the Assignee, as Master Trustee, shall occur unless and until an event of default shall have occurred under the Second Supplemental Indenture. This assignment of rents provision shall be subject to any state law limitations and shall only be enforceable to the extent that it does not result in the assignor of such rents losing a license or other governmental authorization necessary to conduct its business as presently conducted.

This Assignment shall cover and apply to any existing or future amendment, supplement, modification, or replacement of the aforesaid leases, contracts and assignments.

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Belmont Ave Box 15
N.34-30293-14 N.H.C.

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Assignee shall not be liable for failure to collect rentals, failure to enforce performance by any lessee or other party to such instruments, failure to let or relet any property or for any other act or omission of Assignee in managing such property.

At any time after the occurrence of an event of default shall have occurred under the Second Supplemental Indenture, the Assignee may, at its option, although it shall not be obligated so to do, perform any lease covenant for and on behalf of the Assignor and may recover any money advanced for any such purpose from Assignor on demand, with interest at the maximum rate as provided in the Second Supplemental Indenture from date of advancement, and may reimburse itself for amounts so advanced, with interest, from any rents collected and if not so repaid, then any balance shall be added to the mortgage debt evidenced by the Private Master Notes and shall be secured by said mortgage. At such time, the Assignee may likewise, at its option, exercise any option or election for and on behalf of Assignor.

Assignor represents that the said leases, contracts, and assignments are in full force and effect according to their terms; that Assignor is not in default thereunder; that Assignor has not sold, assigned, pledged or encumbered the said leases, contracts and assignments or rentals except as otherwise required by state law; and that Assignor has not heretofore given his consent to an assignment of the leases, contracts and assignments.

Rentals and other sums (if any) paid to and received by the Assignee shall be held, without allowance of interest, and shall be applied by it for the following purposes, the priority and application of such funds being within the sole discretion of the Assignee:

(a) to the payment of principal and interest installments on the Private Master Notes as and when the same becomes due and payable;

(b) to the making of any required deposits in an escrow fund for the future payment of taxes, assessments and insurance premiums of the assignor;

(c) to the payment to Assignee of all other sums due it under the Private Master Notes under this Assignment;

(d) to the payment of all other necessary expenses of the management, protection and/or preservation of the mortgaged property (as defined in the Second Supplemental Indenture); and

(e) any amount not applied as above provided and remaining in the hands of the Assignee may, at its option, on the first day of October of each year, to be applied by the Assignee to one or both of the following:

(i) to the prepayment of principal on the Private Master Notes in inverse order of its maturity; or

(ii) be refunded to the Assignor.

The covenants herein contained shall bind, and the benefit and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto.

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Whenever used herein the singular number shall include the plural, the plural the singular, and use of any gender shall include all genders.

Notwithstanding anything else contained herein, this Assignment is for the benefit of and revenues generated pursuant to this Assignment may be used only for, payment of the Private Master Notes the equal and ratable security of the Second Supplemental Master Indenture and not for the benefit of other Notes issued under the Master Indenture.

IN WITNESS WHEREOF, the Assignor has executed this Instrument the day and year first above written.

COVENANT HEALTH CARE CENTER, INC.

By: _____

Name:

Title:

(SEAL)

ATTEST:

Secretary

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