

ASSIGNMENT OF LEASES, RENTS, ISSUES AND PROFITS

34

7415-448-D1

FOR VALUE RECEIVED, TERRACOM NURSING ASSOCIATES LIMITED PARTNERSHIP, an Illinois Limited Partnership (the "Assignor"), hereby grants, transfers and assigns to LTC Properties, Inc., a Real Estate Investment Trust incorporated in the State of Maryland (the "Assignee"), all right, title and interest of Assignor, and Assignor's successors and assigns, in and to all leases, licenses, concession agreements, patient care agreements and occupancy agreements of any kind or nature (the "Leases"), whether now in existence or which may hereafter be entered into, for all or any portion of the real property described in Exhibit "A", attached hereto and incorporated herein (the "Property"); together with all rents, security deposits and other deposits, and profits arising from the Leases, and any renewals and modifications thereof; together with all rights, benefits and advantages to be derived therefrom; and together with all rents, income, revenues, royalties, compensation, accounts, issues and profits for the use or occupation of the Property, or arising from any services provided at the Property and from any property covered by the Leases, whether real, personal, mixed or intangible (the "Rents, Issues and Profits"). The property which is pledged as collateral pursuant to this Assignment shall not include any receivables due from, or payments from, any governmental entity in respect of payments for patient or health care services.

This Assignment of Leases, Rents, Issues and Profits (this "Assignment") is intended to be, and shall be construed as creating, an absolute, present and unconditional assignment unto Assignee, and not an assignment as security, and to such extent shall be irrevocable except as hereinafter provided to the contrary. In connection with and as a part of this Assignment, Assignor hereby warrants, represents and agrees, to and with Assignee, as follows:

1. Assignor warrants that there has been no prior assignment of the Leases which is now in effect.
2. Assignor agrees that for so long as Assignor's indebtedness (described in Paragraph 3(a), below) remains outstanding:
  - (a) To observe and perform all obligations imposed upon it as the lessor or obligor, as appropriate, under the Leases;
  - (b) Without the prior written consent of Assignee, not to collect any of the Rents, Issues and Profits accruing under the Leases or from the Property in advance of the time when they shall become due except for payments in the nature of security for the performance of the lessee's or occupant's obligations thereunder (but in any event such security shall not exceed an amount equal to one (1) month's Rents, Issues or Profits in respect of each respective Lease);

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(c) Not to execute any other assignment of its interest in the Leases or assignment of Rents, Issues and Profits accruing under the Leases or from the Property; and

(d) To promptly execute and deliver to Assignee such further assurances and assignments of Leases on the Property as Assignee shall from time to time require.

3. Assignee agrees, and Assignor further agrees, as follows:

(a) Assignor has contemporaneously herewith executed and delivered to Assignee a certain Promissory Note Secured By Mortgage in the principal amount of \$6,700,000. (the "Note"). In order to secure payment of said Note, Assignor, as mortgagor, has heretofore executed a certain Mortgage, Security Agreement, Assignment of Leases and Rents and Financing Statement in favor of Assignee, as Mortgagor. Unless and until there shall have occurred an Event of Default in the performance by Assignor of any of its duties or obligations, including but without limitation the payment of money, arising under the aforesaid Note or Mortgage, Assignor may collect at the time of, but not before, the date provided for payment, all Rents, Issues and Profits arising under the Leases and retain the use of and enjoy the same. Upon or at any time after the occurrence of such an Event of Default, Assignee may, at its option, without notice and without regard to the adequacy of any security for the payment or performance of any duties and obligations arising under the Note and Mortgage, either in person or by agent, with or without bringing any action or proceeding, or by receiver appointed by a court, take possession of the Property and hold, manage, let, and operate the same on such terms and for such period of time as Assignee may deem proper and, with or without taking possession of the Property, demand, sue for, or otherwise collect all Rents, Issues and Profits of the Leases and the Property, including those past due and unpaid, with full power to make from time to time all such alterations, renovations, repairs and replacements as may seem proper to Assignee, and apply such Rents, Issues and Profits to the payment of all expenses of managing, operating and maintaining the Leases and the Property, all expenses incident to taking and retaining possession of the Property, and the principal, interest and other indebtedness evidenced and/or secured by the aforesaid Note and Mortgage, together with all costs and attorneys' fees, in such order of priority as to any of the items mentioned in this paragraph as Assignee in its sole discretion may determine, any statute, law, custom or use to the contrary notwithstanding. Exercise or nonexercise by Assignee of the options granted in this paragraph, or collection and application of Rents, Issues and Profits by Assignee or its agent shall not be considered a waiver of any Event of Default by Assignor under this Assignment, the Note or the Mortgage.

(b) Assignee shall not be liable for any loss sustained by Assignor resulting from Assignee's failure to let the Property or any part thereof or from any other act or omission of Assignee in managing the Property, unless such loss is

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caused by the willful misconduct and bad faith of Assignee. Assignee shall not be obligated to perform or discharge nor does Assignee undertake to perform or discharge any obligation, duty or liability under the Leases or under or by reason of this Assignment and Assignor agrees to indemnify Assignee for, and to hold Assignee harmless from, any liability, loss or damage which may be incurred under the Leases or under or by reason of this Assignment and from any claims and demands which may be asserted against Assignee by reason of any alleged obligations or undertakings to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should Assignee incur any such liability under the Leases or under or by reason of this Assignment or in defense of any such claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be reimbursed by Assignor upon written demand therefor by Assignee, and Assignor shall make such reimbursement within five (5) calendar days of the date of such demand. If Assignor does not timely reimburse Assignee in the amount set forth in Assignee's demand, the unpaid portion thereof, while still immediately due and payable, shall bear interest at the Default Interest Rate (as that term is defined in the Note) until paid. This Agreement shall not operate to place responsibility for the control, care, maintenance or repair of the Property upon Assignee, nor shall it operate to make Assignee responsible or liable for any waste committed on the Property by any tenants, occupants or any other parties, or for any dangerous or defective condition of the Property, or for any negligence in the management, upkeep, repair or control of the Property.

(c) Upon payment in full of the principal, interest and all other indebtedness evidenced by the Note and Mortgage, this Assignment shall cease, terminate and be of no further effect, and upon release of any portion of the Property from the lien of the Mortgage pursuant to the terms of such Mortgage, this Assignment shall cease, terminate and be of no further effect with respect to the portion released; provided, however, that as to those portions of the Property not released the affidavit, certificate, letter or statement of Assignee or any officer, agent or attorney of Assignee showing any part of the principal, interest or other indebtedness being unpaid shall constitute conclusive evidence of the validity, effectiveness, and continuing force of this Assignment and any person may, and is hereby authorized to, rely thereon. Assignor hereby authorizes and directs each and every lessee, occupant or other person named in a Lease or any other or future lessee or occupant of the Property or any part thereof, upon receipt of written notice from Assignee, to pay to Assignee all Rents, Issues and Profits accruing under the Leases or from the Property, and to continue to do so until otherwise notified in writing by Assignee.

(d) Subject only to the provisions of Paragraph 3(c), above, no action undertaken by Assignee with respect to any of the obligations of Assignor evidenced by the Note and Mortgage, to any security or guarantee given for the payment or performance thereof, or to any other document or instrument evidencing or relating to said obligations shall in any manner affect, impair or prejudice any of Assignee's

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rights and privileges under this Assignment or discharge, release or modify any of Assignor's duties or obligations hereunder. This Assignment is intended by Assignor and Assignee to create, and shall be construed as creating, an absolute, present, unconditional assignment unto Assignee, subject only to the terms and provisions hereof, and not an assignment as security for the performance of the obligations evidenced by the Note and Mortgage, or any other indebtedness of Assignor.

4. Notwithstanding anything set forth in this Assignment, nothing in this Assignment shall be construed or deemed to mean that any Rents, Issues or Profits which have not actually been received by Assignee will be credited against any indebtedness owed by Assignor to Assignee. Accordingly, no Rents, Issues or Profits will be pro tanto credited to any such indebtedness, except to the extent that such Rents, Issues or Profits are actually paid to Assignee.

5. All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person or by United States mail, certified or registered, return receipt requested, or otherwise actually delivered to the parties at their address stated in the Mortgage, or at such other addresses as the parties may furnish to the other party in writing in the future.

6. Whenever possible, each provision of this Assignment shall be interpreted in such manner as to be effective and valid under applicable law but, if any provision of this Assignment shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Assignment.

7. This Assignment, together with the agreements and warranties herein contained, shall be governed by the internal laws of the State of Illinois without resort to choice of law principles, and shall inure to the benefit of Assignee and its successors and assigns and shall be binding upon Assignor and its respective heirs, successors and assigns as to all or any part of the Property.

IN WITNESS WHEREOF, this Assignment has been executed the 11th day of March, 1993.

**TERRACOM NURSING ASSOCIATES LIMITED PARTNERSHIP, an Illinois Limited Partnership**

By: RCH Nursing Corp., Ltd., an Illinois corporation, Its General Partner

93186195

By:

  
Richard Haskell, Its President

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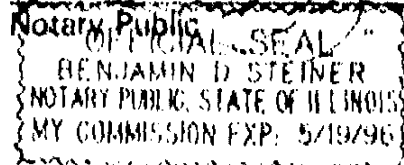
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STATE OF ILLINOIS     )  
                                  )     SS  
COUNTY OF COOK     )

Benjamin D. Steiner, a Notary Public in and for said County, in the State of aforesaid, DO HEREBY CERTIFY that Richard C. Wasky, as \_\_\_\_\_ President, of RCH NURSING CORP. LTD. and \_\_\_\_\_ as \_\_\_\_\_ of said Corporation, the general partner of TERRACOM NURSING ASSOCIATES LIMITED PARTNERSHIP who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and \_\_\_\_\_ of said Corporation, respectively, appeared before me this day in person and acknowledged that they signed and delivered the 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;

GIVEN, under my hand and notarial seal this 12<sup>th</sup> day of March, 1998.



Property Address:     22660 S. Cicero  
                                  Richton Park, Illinois

PIN: 31-34-100-012

This document prepared by:

Dennis Greenwald  
Stern, Neubauer, Greenwald & Pauly  
1299 Ocean Avenue  
10th Floor  
Santa Monica, CA 90401-1007

**BOX 333**

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## EXHIBIT "A"

### REAL PROPERTY

Property located in Cook County, State of Illinois, described as that part of the North West  $\frac{1}{4}$  and the North  $\frac{1}{2}$  of the South West  $\frac{1}{4}$  all in Section 34, Township 35 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois described as follows:

COMMENCING AT A BRASS PLUG WHICH MARKS THE NORTH WEST CORNER OF SAID SOUTH WEST  $\frac{1}{4}$  OF SECTION 34, SAID BRASS PLUG BEING ALSO ON THE INTERSECTION OF THE CENTERLINE OF EXISTING CICERO AVENUE AND THE CENTERLINE OF EXISTING IMPERIAL DRIVE; THENCE SOUTH 89 DEGREES, 28 MINUTES AND 48 SECONDS EAST ALONG THE SOUTH LINE OF SAID NORTH WEST  $\frac{1}{4}$  OF SECTION 34, SAID LINE BEING ALSO THE CENTERLINE OF EXISTING IMPERIAL DRIVE, FOR A DISTANCE OF 70.00 FEET TO THE POINT OF BEGINNING, SAID POINT BEING ALSO ON THE EAST RIGHT OF WAY LINE OF SAID EXISTING CICERO AVENUE; THENCE NORTH 00 DEGREES, 15 MINUTES, 51 SECONDS EAST ALONG SAID EAST RIGHT OF WAY LINE OF EXISTING CICERO AVENUE FOR A DISTANCE OF 367.00 FEET; THENCE SOUTH 89 DEGREES, 28 MINUTES, 48 SECONDS EAST ALONG A LINE PARALLEL WITH SAID SOUTH LINE OF THE NORTH WEST  $\frac{1}{4}$  OF SECTION 34 FOR A DISTANCE OF 400.00 FEET TO THE WESTERLY LINE OF RICHTON CROSSING UNIT ONE BEING A SUBDIVISION OF PART OF THE NORTH WEST  $\frac{1}{4}$  AND NORTH  $\frac{1}{2}$  OF THE SOUTH WEST  $\frac{1}{4}$  OF SECTION 34, TOWNSHIP 35 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, RECORDED AS DOCUMENT NUMBER 23297400; THENCE SOUTH 30 DEGREES, 15 MINUTES, 51 SECONDS WEST ALONG A LINE PARALLEL WITH THE WEST LINE OF SAID SECTION 34 BEING ALSO THE SAID WESTERLY LINE OF RICHTON CROSSING UNIT ONE, FOR A DISTANCE OF 368.92 FEET TO SAID CENTERLINE OF EXISTING IMPERIAL DRIVE; THENCE WESTERLY, ALONG SAID CENTERLINE OF EXISTING IMPERIAL DRIVE BEING A CURVE, CONCAVE TO THE SOUTH HAVING A TANGENT BEARING OF NORTH 86 DEGREES, 32 MINUTES, 42 SECONDS WEST, HAVING A RADIUS OF 1465.05 FEET FOR A DISTANCE OF 75.05 FEET TO A POINT OF TANGENCY ON SAID SOUTH LINE OF THE NORTH WEST  $\frac{1}{4}$  OF SECTION 34; THENCE NORTH 89 DEGREES, 28 MINUTES, 48 SECONDS WEST ALONG SAID SOUTH LINE OF THE NORTH WEST  $\frac{1}{4}$  OF SECTION 34, SAID LINE BEING ALSO SAID CENTERLINE OF EXISTING IMPERIAL DRIVE, FOR A DISTANCE OF 325.00 FEET TO SAID POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.