

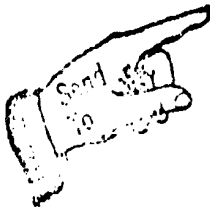
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1717 Arch Street
Philadelphia, PA 19103-2793



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MANAGER'S CONSENT AND SUBORDINATION OF MANAGEMENT AGREEMENT

Dated as of November 17, 1995

by

CAREPLUS MANAGEMENT, INC. and HUNTER MANAGEMENT, L.L.C.
as Manager

and

PARK HOUSE, LTD.
as Operator

to

NOMURA ASSET CAPITAL CORPORATION
as Lender

Property Address: 2320 South Lawndale
Chicago, IL 60623

PIN: 16-26-105-075; 16-26-105-079; 16-26-105-080

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MANAGER'S CONSENT AND SUBORDINATION OF MANAGEMENT AGREEMENT

THIS MANAGER'S CONSENT AND SUBORDINATION OF MANAGEMENT AGREEMENT (this "Agreement") dated as of November 17 1995 is by and among CARE PLUS, INC., an Illinois corporation, having an office at 5940 W. Touhy Avenue, Suite 350, Niles, Illinois 60714 and HUNTER MANAGEMENT, L.L.C., an Illinois limited liability company having an office at 5301 West Touhy Avenue, Skokie, Illinois 60077 (collectively the "Manager"), 2320 SOUTH LAWNDALE, L.L.C., an Illinois limited liability company, having an address at c/o Bell Vending, 5301 West Touhy, Skokie, Illinois 60077, Attention: Eric Rothner, Telefax Number 708-673-7741 (the "Borrower"), PARK HOUSE, LTD., an Illinois corporation (the "Operator") having an address at 2320 South Lawndale, Chicago, IL 60623 and NOMURA ASSET CAPITAL CORPORATION, a Delaware corporation having an office at 2 World Financial Center, Building B, New York, New York 10281-0498, Attention: Gregory Anderson, Telefax Number (212) 667-1022 (together with its successors and assigns, "Lender").

RECITALS:

A. Borrower is the owner of the fee simple interest in and to the improved real property described on Exhibit A attached hereto (the "Facility") (together with all easements, improvements, rights of way and other property rights appurtenant thereto and all Equipment attached to, located at or otherwise used in connection with the foregoing, collectively, the "Mortgaged Property");

B. Pursuant to that certain Loan Agreement of even date herewith (said Loan Agreement, as modified and supplemented and in effect from time to time, the "Loan Agreement") by and among Lender, Borrower, AVENUE ASSOCIATES, L.L.C., an Illinois limited liability company, and BOULEVARD PROPERTY, L.L.C., an Illinois limited liability company (together, the "Affiliated Borrowers"), which Loan Agreement provides for a loan (the "Loan") to be made by Lender to the Borrower and the Affiliated Borrowers in an aggregate principal amount of up to \$12,500,000. The Loan is to be evidenced by, and repayable with interest thereon, Default Rate interest, Late Charges, and Yield Maintenance Premium, if any, in accordance with a promissory note executed and delivered by Borrower and payable to the order of Lender (such Borrower's note, as modified and supplemented and in effect from time to time, the "Note");

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inconsistent with the assignment by Borrower and Operator of their rights under the Management Agreement.

2. Representations of Manager. Manager warrants and represents to Lender the following:

(a) Manager acts as Manager of the Facility pursuant to the Management Agreement. The Management Agreement is in full force and effect, and constitutes the entire agreement with respect to the management of the Facility between Manager and Operator and has not been modified, amended or supplemented. A true, correct and complete copy of the Management Agreement is attached hereto as Exhibit B.

(b) The Management Agreement constitutes the legal, valid and binding obligation of Manager, enforceable against Manager in accordance with its terms, subject to general principles of equity and laws affecting the rights and remedies of debtors and creditors generally. Manager has full authority under all applicable state and local laws and regulations to perform all of its obligations under the Management Agreement.

(c) Operator is not in default in the performance of the terms and provisions of the Management Agreement nor is there now any condition which, with the giving of notice or lapse of time, or both, will become a default.

(d) Manager is not in default under the terms and provisions of the Management Agreement, nor is there now any condition which, with the giving of notice or lapse of time, or both, will become a default. No claim or dispute exists between Operator and Manager with respect to the Management Agreement.

(e) Manager does not have any option or preferential right to purchase all or any part of, and does not have any right, title or interest with respect to the Facility other than as manager under the Management Agreement.

(f) All Permits required by applicable law or necessary for the use and operation of the Facility as a skilled nursing home, congregate care facility, assisted living facility and/or independent living facility, as applicable, have been obtained and such Permits are in full force and effect.

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(g) There are no contracts, agreements or commitments between the Borrower or Operator and the Manager in respect of the Management Agreement or the management of the Facility, except as provided in the Management Agreement.

(h) The Manager has not assigned or encumbered its interest under the Management Agreement.

3. Manager's Covenants. For so long as the Facility is encumbered by the Mortgage, Manager hereby consents and agrees to each and every one of the following covenants and agreements for the benefit of Lender:

(a) **No Termination of Management Agreement: Transfer of Operating Accounts.** Manager will not terminate the Management Agreement without first providing Lender, at the same time it provides notice to Operator, with copies of all notices required to be delivered in connection with such termination pursuant to the Management Agreement and, in any event, the Manager will not terminate its management of all or any portion of the Facility without first providing the Lender with at least 90 days prior written notice. In the event that the Management Agreement is terminated for any reason whatsoever, Manager shall assign and transfer all accounts and money (except to the extent that such accounts and money are the sole property of Manager) and the Permits (to the extent assignable) to such party as Lender may designate in its sole and absolute discretion.

(b) **Subordination of the Management Agreement to Lien of Mortgage.** Any and all liens, rights and interests (whether choate or inchoate and including, without limitation, all mechanic's and materialman's liens under applicable law, and whether recorded or unrecorded) owned, claimed or held, or to be owned, claimed or held, by Manager in and to the Mortgaged Property, are and shall be in all respects subordinate and inferior to the liens and security interests (i) created or to be created for the benefit of Lender, its successors and assigns, and securing the repayment of the Note and the obligations of the Affiliated Borrowers under the Loan Documents, and including, without limitation, those created under and by virtue of the Mortgage covering, among other things, the Mortgaged Property, and (ii) filed or to be filed of record in the public records maintained for the recording of mortgages or deeds of trust in the county and state in which the Facility is located, and all renewals and extensions thereof. The foregoing subordination of all liens, rights and interests by Manager shall not affect Manager's rights or

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remedies under the Management Agreement against Operator for non-payment of fees or constitute a release of the obligations of Operator; provided, however, that Manager agrees that it shall not have any right to receive from Operator any portion of any fee payable with respect to Manager (for the purposes of this test, the fees received by all Persons comprising Manager shall be aggregated) which exceeds five percent (5%) of Gross Revenues for the applicable period (to the extent that such fee exceeds 5% of Gross Revenues, the "Subordinated Fees") during continuance of an Event of Default under the Loan Agreement. If Manager receives any Subordinated Fees in contravention of the foregoing sentence, Manager shall receive such amounts as trustee for Lender, and pay or deliver to Lender, forthwith upon receipt thereof, without further demand by Lender, any such amounts which Manager may receive from Operator on account of such Subordinated Fees.

(c) Lender's Right to Terminate. Upon the occurrence of an Event of Default under the Loan Agreement, Manager, at the request of Lender, shall continue performance, on behalf of Lender, of all of Manager's obligations under the terms of the Management Agreement; provided that Lender sends to Manager the notice set forth in Section 3(i) hereof and performs or causes to be performed the obligations of Operator to Manager under the Management Agreement accruing or arising from and after, and with respect to the period commencing upon, the effective date of such notice. The Management Agreement shall be terminated by Operator, at Lender's request upon 30 days prior written notice to Operator and Manager (i) upon the occurrence of an Event of Default under the Loan Agreement, (ii) if Manager commits any act which would permit termination by Operator under the Management Agreement or (iii) in the event that, as of the last day of a calendar quarter, the Adjusted Net Operating Income for all Facilities, computed on the basis of the prior twelve (12) months, is less than the Minimum Percentage of the Base NOI. Manager agrees not to look to Lender for payment of any accrued but unpaid fees for the period from and after the effective date of such termination provided, however, that Manager shall be paid for any performance that was continued at the request of the Lender in accordance with the first sentence of this paragraph. Upon the release of the Mortgaged Property pursuant to the Loan Agreement, this Agreement shall be of no further force or effect.

(d) No Amendments to the Management Agreement. Manager will not amend or modify the Management Agreement without the prior written consent of Lender. In the event Manager fails to secure such consent, the Management

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Agreement, at Lender's election, for the purposes of Manager's obligations to Lender pursuant to this Agreement, shall be deemed not to have been modified by such amendment.

(e) Delivery of Notices, etc.; Lender's Right to Cure. Manager shall deliver to Lender (i) all notices, statements, information and communications delivered or required to be delivered to Operator pursuant to the Management Agreement, including, without limitation, any notice of any default by Operator or notice of intention to terminate the Management Agreement and (ii) all material notices from any governmental authorities, regulators, citizens groups or private litigants received by the Manager with respect to any portion of the Mortgaged Property. Lender shall have the option, but not the obligation, to cure any such default(s) by Operator under the Management Agreement within the time periods provided in the Management Agreement for cure of Operator's defaults; such time periods to begin, in the event of a cure by Lender, on the date of Lender's actual receipt of such notice which notice shall be in writing. Manager shall accept any performance by Lender of Operator's covenants or agreements under the Management Agreement and any cure of Operator's defaults, as if performed by Operator. If Operator's default is one that cannot be cured by Lender's payment of money and until Lender has obtained possession of the Facility from Borrower, then the time period which Lender shall have to cure Operator's default shall be extended by the time necessary for Lender to obtain possession of the Facility, provided Lender is diligently pursuing such possession. Notwithstanding the terms of this Section 3(e), Manager may not terminate any of its obligations with respect to all or any portion of the Facility without providing Lender with the notice described in Section 3(a) hereof.

(f) Further Assurances. Manager shall (i) execute such affidavits and certificates as Lender shall reasonably require to further evidence the agreements herein contained, (ii) on request from the Lender, furnish the Lender with copies of such information as the Operator is entitled to receive under the Management Agreement, and (iii) cooperate with Lender's representatives in any inspection of all or any portion of the Mortgaged Property to the extent Lender is permitted to enter and inspect such Mortgaged Property in accordance with the Mortgage and/or the Loan Agreement.

(g) Acknowledgement of Borrower's Assignment of Leases. Manager acknowledges that, in connection with the Loan, Borrower will execute and deliver to Lender the Assignment of Leases, dated as of the date hereof, assigning to Lender,

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among other things, all of Borrower's right, title and interest in and to the Leases and the Rents relating to the Facility, and any of Borrower's rights in the security deposits thereunder (to the extent permitted by applicable law). The Manager further agrees that it will not be entitled to receive any fees from security deposits or be entitled in any way to any security deposits with respect to any portion of the Mortgaged Property or be permitted to sue for any security deposits for any purpose, subject to the provisions of the Loan Agreement. The Manager further agrees that (i) on the Closing Date (and at all times thereafter to but excluding the Prepayment Date), Manager shall (a) cause all payments due under the Master Lease for the Facility, except Bonus Rent (as defined in such Master Lease), to be payable to the order of "[insert Borrower's name], as Debtors, and Nomura Asset Capital Corporation, as Secured Party, pursuant to the Loan Agreement dated as of [insert date of the Loan Agreement]," and (b) cause such payments to be deposited when due into the Collection Account, (ii) on and after the Prepayment Date (without Lender's election), or upon the occurrence of an Event of Default (at Lender's election), Manager shall or shall cause deposit of all rents, revenues or income of any kind derived by the Operator or from Borrower's Facility, within one Business Day of receipt thereof, directly into the Collection Account, (iii) at such time as a Borrower, Operator, or Manager ever collects a security deposit with respect to the Facility, Manager shall collect all security deposits with respect to the Facility and shall deposit or cause the deposit of all such funds and other receipts within one Business Day after receipt thereof, directly into the Security Deposit Account for the Facility, (iv) Manager shall have no right of withdrawal from a Security Deposit Account, (v) Manager shall have no right of withdrawal from the Collection Account, and (vi) Manager shall comply with any and all other requirements relating to the Manager in Section 2.12 of the Loan Agreement.

(h) No Joint Venture. The relationship of Lender to Borrower is one of a creditor to a debtor, and Lender is not a joint venturer or partner of Borrower or Operator.

(i) Lender Not Obligated Under Management Agreement. Manager further agrees that nothing herein shall impose upon Lender any obligation for payment or performance in favor of Manager, unless and until Lender notifies Manager in writing that Lender has elected to assert Operator's rights under the Management Agreement and assume Operator's obligations thereunder from and after the effective date of Lender's notice of such election to Manager and Lender has agreed to pay Manager the sums due Manager under the terms of the Management Agreement from and after the effective date of Lender's notice of such

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election to Manager. Upon such notification by Lender to Manager, Manager shall continue performing its duties on Lender's behalf in accordance with the terms of the Management Agreement. Notwithstanding anything contained herein to the contrary, Manager acknowledges and agrees that Lender shall not be liable for or obligated to perform any obligations of Operator under the Management Agreement (including, without limitation, the payment of any fees due Manager) that accrued or relate to any period prior to Lender's notification of Manager that it has elected to assert Operator's rights under the Management Agreement as set forth above nor shall Lender be liable for any termination fees or charges that may be due Manager under the Management Agreement in connection with or as a result of any default(s) or event(s) of default by Operator thereunder.

(j) Lender's Reliance on Representations. Manager has executed this Agreement for the purpose of inducing Lender to make the Loan and with full knowledge that Lender shall rely upon the representations, warranties, covenants and agreements herein contained when making Advances to Borrower and that but for this instrument and the representations, warranties, covenants and agreements herein contained, Lender would not take such actions.

(k) Filing of Petition of Bankruptcy. Manager agrees not to cause the filing of a petition in bankruptcy against Operator for non-payment to Manager of fees, expenses and expenditures under the Management Agreement until the payment in full of the Loan and the expiration of a period equal to the applicable preference period under the federal Bankruptcy Code (Title 11 of the United States Code) plus ten (10) days following such payment.

4. Assignment. Manager acknowledges that Lender may assign all of its right, title and interest in, to and under this Agreement to any Person and Manager agrees that all of the covenants and agreements made by Manager in the Management Agreement are also for the benefit of the successors and assigns of Lender. Notwithstanding anything to the contrary in the Management Agreement neither the Manager nor the Operator may assign the Management Agreement without the prior written consent of the Lender.

5. [Intentionally deleted]

6. Consent of Borrower. Borrower and Operator have joined herein to evidence its consent to the agreements of Lender and/or Manager contained in this Agreement.

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7. **Notices.** All notices, demands, consents, or requests which are either required or desired to be given or furnished hereunder shall be sent to the appropriate party at the address set forth in the preamble to this Agreement and shall be effective in the manner set forth in the Loan Agreement. By notice complying with this Section, any party may from time to time change the address to be subsequently applicable to it or the identity of its individual officer or its counsel, except that such notice shall be effective only upon receipt, as evidenced by a receipt signed by a party at such address.

8. **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of New York (without giving effect to New York's principles of conflicts of law).

9. **Cross Collateralization.** Without limitation to any other right or remedy provided to Lender in this Agreement or any of the other Loan Documents, Manager acknowledges and agrees that upon the occurrence of an Event of Default (i) Lender shall have the right to pursue all of its rights and remedies in one proceeding, or separately and independently in separate proceedings which it, as Lender, in its sole and absolute discretion, shall determine from time to time, (ii) Lender is not required to either marshal assets, sell the Collateral in any inverse order of alienation, or be subjected to any "one action" or "election of remedies" law or rule, (iii) the exercise by Lender of any remedies against any Collateral will not impede Lender from subsequently or simultaneously exercising remedies against any other Collateral, (iv) all Liens and other rights, remedies and privileges provided to Lender in the Loan Documents or otherwise shall remain in full force and effect until Lender has exhausted all of its remedies against the Collateral and all Collateral has been foreclosed, sold and/or otherwise realized upon in satisfaction of the Loan, (v) Borrower's Facility shall be security for the payment and performance of all obligations of all Borrowers under the Loan Documents, and (vi) Borrower and the other Borrowers shall be jointly and severally liable for payment of the Indebtedness and for the performance of all obligations under the Loan Documents.

10. **Successors.** This Agreement shall be binding upon and shall inure to the benefit of each party hereto and their respective successors and assigns.

11. **Counterparts.** This Agreement may be executed in any number of counterparts each of which, taken together, shall constitute one and the same original.

12. **Term.** The parties shall be bound by their obligations under this Agreement for so long as Borrower remains liable to Lender, or any of its assigns or successors, for any indebtedness to Lender, or any of its assigns or successors.

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13. Compliance With Nomura Loan Agreement. Notwithstanding anything contained herein to the contrary, Manager shall perform its obligations under the Management Agreement and the other Additional Collateral in a manner which causes Operator to be a Single Purpose Entity, as defined in the Master Lease.

14. Waiver of Manager's Lien. Manager hereby waives any and all lien rights it might have under Illinois law.

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IN WITNESS WHEREOF, the parties hereto have caused this Manager's Consent and Subordination of Management Agreement to be duly executed and delivered as of the day and year first above written.

MANAGER: ^{MANAGEMENT}
CARE PLUS, INC., an Illinois corporation

By: _____

Name: *Sherrin Ray*
Title: *President*

HUNTER MANAGEMENT, L.L.C., an Illinois
limited liability company

By: _____

Name: *Eric Rothman*
Title: *Manager*

LENDER:

NOMURA ASSET CAPITAL CORPORATION,
a Delaware corporation

By: _____

Name: *Gregory Anderson*
Title: *Vice President*

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CONSENT ACKNOWLEDGED:

BORROWER:

2320 SOUTH LAWNDALE, L.L.C.,
an Illinois limited liability company

By: 2320 SOUTH LAWNDALE CORP.,
an Illinois corporation, its sole
managing member

By: _____
Name: *Shirley King*
Title: *President*

OPERATOR:

PARK HOUSE, LTD.,
an Illinois corporation

By: _____
Name: *Shirley King*
Title: *President*

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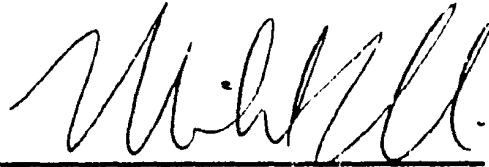
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STATE OF ILLINOIS)
)
COUNTY OF COOK) SS:

I, Michael D. Weiss, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Shawna Perry, personally known to me to be the President of CARE PLUS, INC., a Corporation of the State of Illinois, appeared before me this day in person and acknowledged that as such Shawna Perry he signed and delivered the said Instrument as President of said Corporation as his free and voluntary act and as the free and voluntary act and deed of said Corporation, for the uses and purposes therein set forth.

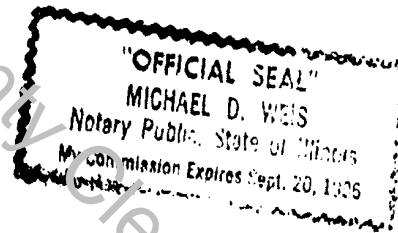
GIVEN under my hand and Notarial Seal, this 17th day of November, A.D. 1995.



Notary Public

My Commission Expires:

9/20/96



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STATE OF ILLINOIS

COUNTY OF COOK

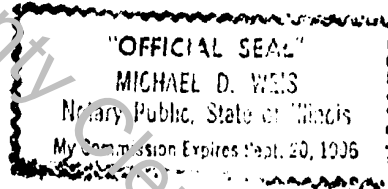
)
) SS: _____
)

Before me, a notary public in and for said county, personally appeared Eric Rothman, known to me to be the person who as Manager on behalf of HUNTER MANAGEMENT, L.L.C., an Illinois limited liability company did sign the foregoing instrument and acknowledged the same to be his free act and deed and the free act and deed of said limited liability company. In testimony hereof, I have hereunto ascribed my name this 17th day of November, 1995.

[Signature]

Notary Public
My Commission Expires: 7/20/96

SEAL:



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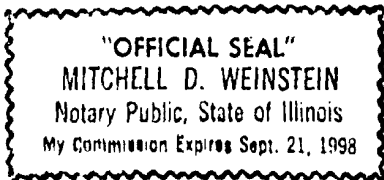
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STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, Mitchell D. Weinstein, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Gregory Anderson, personally known to me to be the Vice President of NOMURA ASSET CAPITAL CORPORATION, a corporation of the State of Delaware, appeared before me this day in person and acknowledged that as such Vice President he signed and delivered the said Instrument as Vice President of said Corporation as his free and voluntary act and as the free and voluntary act and deed of said Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 17th day of November, A.D. 1995.



Mitchell D. Weinstein
Notary Public

My Commission Expires:

9/21/98

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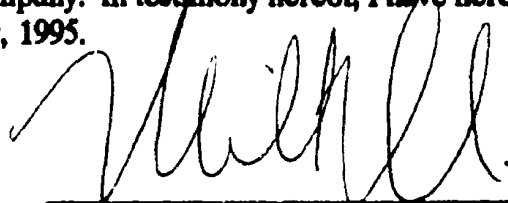
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STATE OF ILLINOIS

COUNTY OF COOK

)
) SS: _____
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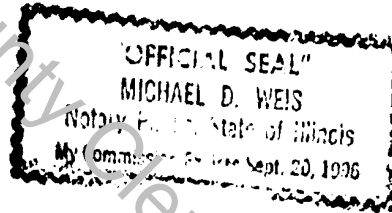
Before me, a notary public in and for said county, personally appeared Shawn A. Ray, known to me to be the person who as President of 2320 SOUTH LAWNDALE CORP., an Illinois corporation, Managing Member on behalf of 2320 SOUTH LAWNDALE L.L.C., an Illinois limited liability company, did sign the foregoing instrument and acknowledged the same to be his free act and deed and the free act and deed of said limited liability company. In testimony hereof, I have hereunto ascribed my name this 17th day of November, 1995.



Notary Public

My Commission Expires: 9/20/96

SEAL:



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STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

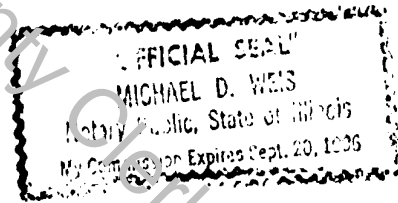
I, Michael D. Weis, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Shawna Ray, personally known to me to be the President of PARK HOUSE, LTD., a corporation of the State of Illinois, appeared before me this day in person and acknowledged that as such Shawna Ray he signed and delivered the said Instrument as President of said Corporation as his free and voluntary act and as the free and voluntary act and deed of said Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 17th day of November, A.D. 1995.

[Signature]
Notary Public

My Commission Expires:

9/20/96



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EXHIBIT A

LEGAL DESCRIPTION:

PARCEL 1:

THE NORTH 40 FEET OF LOTS 1, 2, 3, 4 AND 5 IN KING'S GARDEN SUBDIVISION OF BLOCK 6 OF MOWRY'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 26, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 27, 1862 IN COOK COUNTY, ILLINOIS.

TAX NO.: 16-26-105-075 VOLUME NO.: 574

(AFFECTS PARCEL 1)

PARCEL 2:

LOTS 1, 2, 3, 4 AND 5 (EXCEPT THE NORTH 40 FEET OF SAID LOTS) IN KING'S GARDEN SUBDIVISION OF BLOCK 6 IN MOWRY'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 26, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED SEPTEMBER 27, 1862 IN COOK COUNTY, ILLINOIS, ALSO THE NORTH 1/2 OF VACATED ALLEY SOUTH OF AND ADJOINING LOTS 1, 2, 3, 4 AND 5 AFORESAID.

TAX NO.: 16-26-105-079 VOLUME NO.: 574

(AFFECTS PARCEL 2)

PARCEL 3:

LOTS 5 TO 9 INCLUSIVE IN C.L. RONNEY SUBDIVISION OF LOTS 41 TO 48 INCLUSIVE IN KING'S GARDEN SUBDIVISION OF BLOCK 6 OF MOWRY'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 AND THE WEST 1/2 OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 26, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 8, 1883 AS DOCUMENT 466330, (EXCEPTING THEREFROM, HOWEVER, THE WEST 8 FEET OF SAID LOTS 5 TO 9, INCLUSIVE), ALSO THE SOUTH 1/2 OF VACATED ALLEY NORTH OF AND ADJOINING LOT 5 AFORESAID, ALL IN COOK COUNTY, ILLINOIS.

TAX NO.: 16-26-105-080 VOLUME NO.: 574

(AFFECTS PARCEL 3)

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MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT (this "Agreement") is made and entered into this 17th day of November, 1995, by and between CarePlus Management, Inc., an Illinois corporation and Hunter Management, L.L.C., an Illinois limited liability company (collectively referred to herein as the "Manager"), and Park House, Ltd., an Illinois corporation ("Operator").

W I T N E S E T H

WHEREAS, Operator leases the real estate and the long term care facility located 2320 Lawndale, Chicago, Illinois (the "Premises") from 2320 South Lawndale, L.L.C., an Illinois limited liability company ("Lessor"), under a certain Master Lease Agreement dated as of the date hereof (hereafter the "Lease") and;

WHEREAS, Operator operates a nursing home facility on the Premises (the "Facility"); and

WHEREAS, Manager is in the business of providing management services to nursing homes and similar facilities; and

WHEREAS, Operator desires to engage Manager to provide management services to Operator in connection with the operation of the Facility and the maintenance of the Premises, and Manager desires to be engaged by Operator to provide such management services, as set forth in this Agreement.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Engagement of Manager. Operator hereby engages and appoints Manager as its sole and exclusive manager to manage, transact and supervise the operation of the Facility and the maintenance of the Premises on the terms and conditions hereinafter provided. Manager hereby accepts such engagement and appointment and agrees to undertake to faithfully perform the duties and obligations set forth in this Agreement and to comply with all of the terms and conditions set forth herein. Operator grants to Manager sole and exclusive authority to formulate and implement management policies, programs and operations with respect to the Facility and the Premises, and shall undertake to refrain from interference with and from participation in any management functions which are delegated to Manager under this Agreement.

2. Specific Duties of Manager. In addition to all functions of management expressly or impliedly granted to Manager in Section 1 of this Agreement, and without limiting the generality thereof, Manager shall at all times from the date of this Agreement forward

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have the right to exercise the following powers and the obligation to perform the following functions:

(a) To purchase supplies, equipment and services reasonably necessary for the operation of the Facility and the maintenance of the Premises, and to contract for the same on behalf of Operator.

(b) To supervise both professional and non-professional personnel, with full authority to hire, dismiss and determine compensation levels, job classifications, working conditions and benefits of employees, to execute employment contracts on behalf of Operator with such persons or their representative collective bargaining groups as may be necessary or desired for the operation of the Facility and the maintenance of the Premises. All employees of the Facility or the Premises shall be employees of Operator and not the employees of Manager.

(c) To maintain and manage the accounts receivable, accounts payable, employee compensation and payroll tax requirements and benefit programs, cash and all other assets and liabilities in connection with the Premises and the Facility, and to pay, out of the funds of Operator, as appropriate, all expenses, costs, taxes and other charges incurred by or on behalf of Operator in connection with the maintenance of the Premises or the operation of the Facility.

(d) To open and/or maintain bank accounts in the name of Operator in connection with the Premises and the Facility, to deposit funds of Operator in such accounts, which funds shall be commingled with the funds of Manager or any other funds under the control of Manager, and to make withdrawals therefrom upon the signature of Manager. Manager shall distribute to Operator any cash in excess of that needed for the payment of bills and expenses in connection with the maintenance of the Premises and the operation of the Facility and the maintenance of any operating reserves or special reserves deemed necessary by Manager. Such distributions shall be made at such times as are mutually acceptable to the parties, but in no event more often than monthly or less often than annually.

(e) Notwithstanding any provision contained herein to the contrary, Manager does hereby acknowledge and agree that in connection with its obligations hereunder, generally, and its obligations hereunder specifically set forth in paragraphs 2(c) and 2(d) hereof that it shall discharge such obligations in conformance with the cash management system set forth in paragraph 2.12 of a certain Loan Agreement dated November 17, 1995 by and between Operator's Lessor, as Borrower, Avenue Associates, L.L.C., Boulevard Property, L.L.C. and Nomura Asset Capital Corporation as Lender (hereafter the "Loan Agreement").

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(f) Notwithstanding anything herein to the contrary Manager acknowledges and agrees that (i) it shall perform its obligations in a manner which causes Operator to be a Single Purpose Entity as defined in the Lease, (ii) it shall perform its obligations in a manner which causes Borrower to comply with its obligations in the Loan Agreement and (iii) this Management Agreement is fully subordinate to the Loan Agreement, the Manager's Consent and Subordination Agreement of even date therewith, and the Lease and that in the event of a conflict between (a) the Loan Agreement, the Manager's Consent and Subordination Agreement or the Lease and (b) this Management Agreement, the Loan Agreement, Manager's Consent and Subordination Agreement or the Lease shall control.

(g) To procure and provide for replacements, repairs and additions to the Premises and the Facility and the personal property used in the operation of the Facility.

(h) To institute promotion and business development programs of such scope as shall be appropriate from time to time.

(i) To determine the level of care to be provided to residents of the Facility and the means and manner of providing such care from time to time including, but not limited to food and nursing services, social programs and other amenities.

(j) To serve as liaison to and as the representative of Operator with the Illinois Department of Public Health, the Illinois Department of Public Aid, the U.S. Department of Health, Education and Welfare and its branches, and all other public and quasi-public bodies having jurisdiction over any of the operations or business of Operator, the Premises of the Facility, to seek to maintain the Premises and all equipment, personnel, service, record keeping and all other aspects of the Facility and the Premises in conformity with the requirements of such authorities, and to file reports and to take such other actions as shall be necessary to maintain in good standing such licenses and permits required for the operation of the Facility on the Premises.

(k) To maintain complete and separate books of account and other accounting records and financial statements for Operator, which books, accounts, records and statements shall be available to the designees of Operator, during regular business hours at the offices of Manager or at such other place reasonably designated by Manager. Manager shall cause quarterly operating statements to be provided to Operator reflecting the financial activity and the financial status as of the end of such month with respect to the facility and the Premises, respectively. In connection with Manager's duties under this paragraph 2(k) Manager acknowledges and agrees that it will keep such books, accounts, records and statements at all times in conformance with the requirements set forth in the Loan Agreement.

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(l) To perform, or engage others to perform, administrative services for Operator in connection with the Premises and the Facility, including, but not limited to, preparing and filing tax returns for Operator and communicating with and providing reports to auditors of Operator and to such persons or entities as Manager may deem necessary or desirable in furtherance of the Maintenance of the Premises or the operation of the Facility.

(m) To perform such other acts and provide such other services as shall in Manager's discretion be necessary or proper in order to maintain the Premises and operate the Facility.

(n) In negotiating or entering into agreements or contracts on behalf of Operator, Manager shall make full disclosure to third parties that Manager is acting in a representative capacity for Operator.

3. Standard of Conduct. Manager shall perform all of its obligations hereunder and conduct all activities in accordance with the standards heretofore established in the maintenance of the Premises and the operation of the Facility, shall exercise reasonable care and diligence in carrying out its responsibilities, shall at all times comply with all applicable laws, regulations and professional ethics and standards applicable to the maintenance of the Premises and the operation of the Facility, and shall otherwise perform its obligations hereunder in a good, workmanlike and commercially reasonable manner with the standard of diligence and care normally employed by duly qualified individuals in the performance of comparable work and in accordance with practices appropriate to the activities undertaken.

4. Duties of Operator. (a) Operator shall at all times provide sufficient funds to Manager to meet the obligations incurred in connection with the maintenance of the Premises and the operation of the Facility. Operator shall at all times provide sufficient information, documentation and other support to Manager as shall be necessary to enable Manager to fully perform its obligations hereunder.

(b) All debts and liabilities to third parties arising in the course of the maintenance of the Premises or the operation of the Facility, incurred by Manager on behalf of Operator are and shall be the obligations of Operator, and shall be payable solely out of the funds of the Operator.

5. Relationship of Parties. (a) Manager shall perform its obligations under this Agreement solely as an independent contractor.

(b) The parties hereby acknowledge and agree that Manager may be providing similar management services for other businesses or may be otherwise employed during the terms of this Agreement.

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Except as expressly provided in this Agreement nothing shall deprive or otherwise affect the right of Manager to provide services to others, notwithstanding the fact that Manager's other clients may be engaged in businesses which are either directly or indirectly in competition with the Facility.

6. Term. The term of this Agreement shall commence on the effective date hereof and shall continue for a period of thirty-five years (the "Term"). This Agreement (unless terminated for reasons set forth in paragraph 7 hereof) shall automatically renew for a like period upon the expiration of its term unless within ten days of the expiration of its term the Operator shall notify the Manager of its desire to terminate this agreement in the manner set forth in paragraph 7 hereof. Said notification shall be in writing and sent by certified or registered mail to the addresses set forth hereinafter in paragraph 15 hereof. In the event of a renewal of this Agreement successive terms shall automatically renew for like periods on the same terms and conditions as set forth in this paragraph 6.

7. Termination. (a) Operator and Manager hereby expressly acknowledge and agree that this Agreement may be terminated prior to the expiration of the Term for Manager's failure to perform its obligations hereunder. Manager further agrees that it can be terminated for its failure to discharge any of its obligations in conformance with the requirements for the operation of the facilities set forth in the Loan Agreement and that Manager specifically agrees that it can be terminated as set forth in Section 5.1(P) of said Loan Agreement. In addition to the foregoing Manager acknowledges and agrees that its services hereunder can be terminated prior to the end of the term in the event of (i) its dissolution or liquidation, whether voluntarily, or involuntarily, or by operation of law, (ii) the revocation of the license or decertification of Operator, which revocation or decertification arises from an act of Manager, or (iii) the termination of, or an Event of Default under the Lease.

(b) Within ten days after the end of the Term of this Agreement, (or the termination of this Agreement as set forth in paragraph 7(a) hereof) Manager shall forward to Operator, all of the books, records, documents and other materials which Manager has held, used, compiled, prepared, assembled or otherwise has in its possession in connection with the Premises, the Facility, Operator, or the performance of Manager's duties under this Agreement.

8. Binding Effect. Each of the respective provisions of this Agreement shall be binding upon and shall inure to the benefit of each of the parties and their respective legal representatives, heirs, successors, assigns, partners, shareholders, directors, members, managers, officers, employees and agents.

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9. Compensation. Operator shall jointly and severally be responsible for paying, and shall pay to Manager the amounts set forth on Schedule 9 of this Agreement during each calendar month during the Term of this Agreement, said sums to be payable within fifteen (15) days after the end of each calendar month.

10. Reimbursement for Costs. Manager shall be entitled to reimbursement for Manager's reasonable expenses incurred in the performance of its duties hereunder. Operator acknowledges that Manager may, from time to time, be obligated to pay sums of money to outside personnel and consultants who may perform services on behalf of Operator at Manager's direction. Operator does hereby agree that it will reimburse Manager for the sums it expends for such outside personnel and consultants in the same manner as it reimburses Manager for any other reasonable costs which Manager may expend on behalf of Operator.

11. Insurance. Operator shall add Manager as an additional insured on all policies of insurance maintained by Operator in connection with the Facility or the Premises, except casualty loss policies covering tangible property of Operator. All of such policies shall be underwritten by such insurers and contain such coverages and limits of coverage as shall be approved by Manager.

12. Indemnification. (a) Manager agrees at all times and at its own expense to indemnify and hold harmless Operator and Operator's Lessor, their legal representatives, successors, assigns, partners, from and against and in respect of any and all charges, claims, demands, causes of action, inquiries, losses, judgments, decrees, damages, penalties, liabilities, obligations, costs and expenses of every kind and nature, whether or not groundless, including, without limitation, attorneys' fees and court costs, by reason of, based upon, relating to, in connection with or arising out of (i) any breach, violation or non-performance of any obligation of Manager hereunder or (ii) any action which Manager has taken or any contract which Manager has executed on behalf of Operator which is found to be outside the scope of the duties of Manager under this Agreement and for which a claim is made against Operator.

(b) Operator agree at all times and at their own expense to indemnify and hold harmless Manager, its legal representatives, heirs, successors, assigns, managers, members, officers, employees, agents and attorneys from an against and in respect of any and all charges, claims, demands, causes of action, inquiries, losses, judgments, decrees, damages, penalties, liabilities, obligations, costs and expenses of every kind and nature, whether or not groundless, including, without limitation, attorneys' fees and court costs, by reason of, based upon, relating to, in connection with or arising out of any performance of Manager's duties hereunder, including, but not limited to, (i) any breach of any legal obligation to any person to whom services are to be provided

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by the mandatory ethical or professional standard, so long as such performance of Manager's duties hereunder is within the scope of such duties under this Agreement and is otherwise performed in accordance with the terms and conditions of this Agreement, including, but not limited to, Sections 2, 3 and 4 hereof. In connection with the indemnification given in this sub-paragraph 12(b) Manager acknowledges and agrees that the indemnification given hereby is subordinate to the obligations of Borrower under the Loan Documents and Master Lease.

13. Attorneys' Fees. If an action shall be brought to recover any compensation or reimbursement due under this Agreement, for or on account of any breach of this Agreement or to enforce or interpret any of the terms, covenants or conditions of this Agreement, the prevailing party shall be entitled to receive reasonable attorneys' fees from the other party.

14. Waiver. The waiver by Operator or Manager of any breach of any term, covenant or condition of this Agreement shall not be deemed to be a waiver of any prior or subsequent breach of such term, covenant or condition or of any breach of any other term, covenant or condition of this Agreement.

15. Notices. All notices given hereunder shall be in writing and shall be deemed to have been given when delivered personally or deposited in the United States mail, postage prepaid, certified or registered, return receipt requested, addressed as follows:

If to Operator: Park House, Ltd.
2320 Lawndale
Chicago, Illinois

If to Manager: CarePlus Management, Inc.
5940 West Touhy Avenue
Suite 350
Niles, Illinois 60714

Hunter Management, L.L.C.
5301 West Touhy Avenue
Skokie, Illinois 60077

or such other address which any party designates to the other by written notice given in the manner stated above.

16. Severability. In the event any court, administrative agency or other governmental entity with jurisdiction and authority to interpret this Agreement or any portion hereof or to otherwise control any performance hereunder determines that any term or combination of terms is invalid or unenforceable, such term or terms shall be construed in such a way as to accomplish the apparent purpose of such term or terms and this Agreement to the

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greatest extent possible. If, notwithstanding the intentions and directions of the parties hereto which are set forth herein, any such court, administrative agency or other governmental entity finds any term or combination of terms to be invalid or unenforceable under applicable law, such determination shall not affect, impair or render invalid or unenforceable the remainder of this Agreement nor any other clause, phrase, provision or portion hereof.

17. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois.

18. Entire Agreement. This Agreement constitutes the entire agreement between the parties and may not be amended or modified except by an instrument in writing signed by all of the parties to this Agreement.

19. Pronouns and Headings. As used herein, all pronouns shall include the masculine, feminine, neuter, singular and plural thereof wherever the context and facts require such construction. The headings, titles and subtitles herein are inserted for convenience of reference only and are not to be construed as part of this Agreement or as in any way defining, limiting or amplifying its provisions.

20. Prior Defenses or Offsets of Manager. Manager acknowledges and agrees that it does not have any defenses or offsets to its obligations under this Management Agreement or any claim or right against Operator or Operator's Lessor, except for claims or rights accruing under this Management Agreement after the date hereof.

21. Further Actions. The parties hereto agree to take such additional actions and execute, file or record any and all such additional documents or instruments as may be necessary or desirable in order to carry out the intents and purposes of this Agreement.

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

MANAGER:

Management
Care Plus, Inc., an Illinois corporation

By: _____
Its: *President*

Hunter Management, L.L.C., an Illinois limited liability company

By: _____
Its: *manager*

OPERATOR:

Park House, Ltd.

By: _____
Its: *President*

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Schedule 9

Name of Manager

Manager

Fee

CarePlus Management, Inc.

\$14,400 per month

Hunter Management, L.L.C.

\$6,000 per month

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