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COOK COUNTY RECORDER

ASSIGNMENT OF MANAGEMENT AGREEMENT
AND AGREEMENTS AFFECTING REAL ESTATE

Dated as of November 17, 1995

by

AVENUE ASSOCIATES, L.L.C.
as Assignor

and

AVENUE CARE CENTER, INC.
as Operator

to

NOMURA ASSET CAPITAL CORPORATION
as Assignee

Property Address: 4505 S. Drexel Avenue
Chicago, IL 60653

PIN: 20-02-312-001

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ASSIGNMENT OF MANAGEMENT AGREEMENT AND AGREEMENTS AFFECTING REAL ESTATE

THIS ASSIGNMENT OF MANAGEMENT AGREEMENT AND AGREEMENTS AFFECTING REAL ESTATE (this "Assignment") is made as of this 17th day of November, 1995, by AVENUE ASSOCIATES, 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 ("Assignor") and AVENUE CARE CENTER, INC., an Illinois corporation, having an address at 4505 S. Drexel Avenue, Chicago, IL 60653 ("Operator") in favor of NOMURA ASSET CAPITAL CORPORATION, a Delaware corporation having an address at 2 World Financial Center, Building B, New York, New York 10281-1198, Attention: Gregory Anderson, Telefax Number: 212-667-1022 (together with its successors and assigns, "Assignee").

RECITALS

A. Assignor is the owner of the fee simple interest in the improved real property described on Exhibit A attached hereto (the "Facility");

B. Assignor, Assignee, BOULEVARD PROPERTY, L.L.C., an Illinois limited liability company, and 2320 SOUTH LAWNDALE, L.L.C., an Illinois limited liability company (together, the "Affiliated Borrowers") are parties to a Loan Agreement of even date herewith (said Loan Agreement, as modified and supplemented and in effect from time to time, the "Loan Agreement"), which Loan Agreement provides for a loan (the "Loan") to be made by Assignee to Assignor and the Affiliated Borrowers in an aggregate principal amount of up to \$12,500,000. The advance with respect to the Assignor's Facility is to be evidenced by, and repayable with interest thereon, Default Rate interest, and Late Charges, together with the Yield Maintenance Premium, if any, in accordance with a promissory note executed and delivered by Assignor to the order of Assignee (as modified and supplemented and in effect from time to time, the "Note"). Unless otherwise defined herein, all capitalized terms shall have the meanings set forth in the Loan Agreement;

C. Assignor has also executed and delivered a Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated as of the date hereof by Assignor, as mortgagor, to Assignee, as mortgagee (in its original form and as hereafter amended, the "Mortgage"), establishing a first priority lien on the Facility to secure the payment

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and performance of the Note and the other Loan Documents. The Mortgage also secures the payment and performance of all obligations of all the Affiliated Borrowers under the Loan Documents. The Mortgage has been recorded in the County in which the Facility is located;

D. Assignor has leased its Facility to Operator pursuant to a Master Lease and Operator has, in such Master Lease, pledged to Assignor a security interest in all of such Operator's Collateral (as defined in the Master Lease) as security for payment of such Operator's obligations to Assignor under such Master Lease; and

F. Assignor intends by the execution and delivery of this Assignment to further secure the payment and performance of the Loan Obligations (as such term is defined in the Mortgage).

NOW, THEREFORE, in consideration of the Loan and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, the parties hereto covenant and agree as follows:

1. Definition of Additional Collateral. The items which shall be the subject of this Assignment and which are sometimes collectively referred to herein as "Additional Collateral" are as follows:

1.1. With respect to Assignor, "Additional Collateral" shall mean, to the extent Assignor has any rights, title or interests in or to any of the following, all contracts between Assignor or the Operator of Assignor's Facility and third parties in connection with the management, construction, renovation, use, operation and maintenance of the Facility, including without limitation, the Management Agreement applicable to the Assignor's Facility, any architect's agreements, construction contracts, licensing agreements, subcontracts, service and supply agreements, "provider or participation agreements" under Medicaid, Medicare, Blue Cross and/o. Blue Shield and any other private commercial insurance managed care and/or employee assistance program, receivables agreements, patient and resident care agreements, any other agreements with design professionals, all agreements, allocations, and rights with all utility services serving the Facility and all development agreements and Permits, which have heretofore been or will hereafter be executed by or on behalf of Assignor, Operator or any manager under any management agreement (the "Manager" and collectively, the "Managers"), or which have been or will hereafter be assigned to Assignor or Operator, as the same way thereafter from time to time be supplemented, amended or extended by one or more written agreements supplemental thereto applicable to the Facility (collectively, the "Agreements"); the parties with whom or to whom such Agreements

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have been are or may hereafter be given are, along with the Contractors, hereinafter collectively referred to as the "Contractors"; and

1.2. With respect to Assignor, "Additional Collateral" shall also mean, to the extent Assignor has any rights, title or interests in or to any of the following, all warranties, guarantees, and other rights of Assignor, the Operator of Assignor's Facility, or any manager under any management agreement, direct and indirect, against manufacturers, dealers, suppliers, Contractors, and others in connection with the work done or to be done and the materials supplied or to be supplied for the Facility (together, the "Warranties"); and

1.3 With respect to Operator, "Additional Collateral" shall mean the Management Agreement by and between Operator and Manager of even date herewith, as the same may from time to time be supplemented, amended, modified or extended by one or more written agreements supplemental thereto, and any other management agreement relating to the operation of the Facility.

2. Assignment. Assignor and Operator hereby assign, transfer and set over unto Assignee all of Assignor and Operator's right, title and interest in and to the Additional Collateral and all rights and benefits therefrom, as security for the full, timely and faithful repayment and performance by Assignor of the Loan Obligations (as defined in the Mortgage) and performance of all of Assignor's obligations under the Loan Agreement and the Loan Documents.

3. Absolute Assignment; Notice of Default; Power of Attorney. Notwithstanding anything herein to the contrary, this Assignment is intended to be an absolute assignment from Assignor and Operator to Assignee and not merely the passing of a security interest. Until the occurrence of an Event of Default under any of the Loan Documents, Assignor and Operator may retain, use and enjoy the benefits of the Additional Collateral. Upon the occurrence of an Event of Default under any of the Loan Documents, the license described in the preceding sentence shall, upon Assignee's election, be revoked, and Assignee may elect to exercise any and all of Assignee's rights and remedies hereunder. Notwithstanding the foregoing, upon the election by Assignee to terminate the Management Agreement in accordance with Section 5.1(P) of the Loan Agreement, as to the Management Agreement, the foregoing described license shall automatically be revoked. Upon such an election, Assignee shall promptly provide Assignor with notice of same. Assignor and Operator hereby irrevocably constitutes and appoints Assignee (and any of its officers) as its true and lawful agent and attorney-in-fact (with full powers of substitution), to demand, receive and enforce Assignor's rights with respect to the Additional Collateral, to give appropriate receipts, releases, and

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satisfactions for and on behalf of Assignor and to do any and all acts in the name, place, and stead of Assignor and Operator or in the name of Assignee with the same force and effect as Assignor and Operator could do if this Assignment had not been made. The power-of-attorney granted herein is deemed to be a power coupled with an interest and shall not terminate until the expiration or termination of this Assignment.

4. Remedies.

4.1. Upon the occurrence of an Event of Default, Assignee may elect to exercise any and all of Assignor and Operator's rights and remedies to, upon and under the Additional Collateral, without any interference or objection from Assignor and Operator, and Assignor and Operator shall cooperate in causing the Managers, the Contractors, the Governmental Authorities and other Persons to comply with all the terms and conditions of the Management Agreement, the Permits and the Agreements.

4.2. Upon the occurrence of an Event of Default hereunder or the Loan Agreement or under any other Loan Document, if and to the extent permitted by law and the terms of the Additional Collateral, Assignee may, with or without entry upon the Facility, at its option, take over and enjoy the benefits of the Additional Collateral, exercise Assignor and Operator's rights under the Additional Collateral, and perform all acts in the same manner and to the same extent as Assignor or Operator might do. In connection with the foregoing process, but without limitation of the generality of the foregoing, Assignee may reassign all or any portion of its right, title, and interest in the Management Agreement to any persons or entities in Assignee's discretion upon notice of default or any other notice to Assignor and the Manager, but without any further requirement for the consent of Assignor, the Operator of Assignor's Facility or the Manager, and any such reassignment shall be valid and binding upon Assignor, Operator and the Manager as fully as if each had expressly approved the same. Assignee may also effect new Permits, Agreements and Warranties, cancel or surrender existing Agreements, Permits and Warranties, alter or amend the terms of and renew existing Agreements, and Permits, and make concessions to the Governmental Authorities, the Contractors, warrantors and others. To the extent permitted by law, Assignor and Operator hereby release any and all claims which it has or might have against Assignee arising out of any such actions by Assignee unless arising from Assignee's fraud, willful misconduct or gross negligence.

5. Faithful Performance. Assignor and Operator covenant and agree that Assignor and Operator will (a) fulfill and perform each and every term, covenant and provision of the Additional Collateral to be fulfilled or performed by Assignor and Operator thereunder, (b) give prompt notice to Assignee of any notice of default or

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termination received by Assignor or Operator under the terms of the Additional Collateral, together with a complete copy of any such notice, and (c) not materially modify or terminate any of the Additional Collateral without the prior written consent of Assignee.

6. No Assumption by Assignee. Except as otherwise expressly set forth in that certain Manager's Consent and Subordination of Management Agreement of even date herewith (which relates only to the Management Agreement), Assignee will not be deemed in any manner to have assumed any liabilities or obligations relating to any of the Additional Collateral, nor shall Assignee be liable to the Governmental Authorities, the Manager, the Contractors or others by reason of any default by any party under the Management Agreement, the Permits, the Warranties and the Agreements. Assignor and Operator agree to indemnify and to hold Assignee harmless of and from any and all liability, loss or damage which it may or might incur by reason of any claims or demands against it based on its alleged assumption of Assignor or Operator's duty and obligation to perform and discharge the terms, covenants and agreements in said Management Agreement, Permits, Warranties and Agreements.

7. Liberal Construction; Advances by Assignee. All of the foregoing powers herein granted to Assignee shall be liberally construed. Assignee need not expend its own funds in the exercise of such powers, but if it does, such amounts, together with reasonable attorneys' fees, shall be considered as advances for and on behalf of Assignor, secured by this Assignment and also evidenced and secured by the other Loan Documents. Any amounts so advanced shall bear interest at the Default Rate set forth in the Loan Agreement from the respective dates of any such advances to the date of repayment in full.

8. Copies Furnished. Assignor shall, upon request of Assignee, furnish Assignee with a complete list of all Additional Collateral. Further, if requested, Assignor shall deliver to Assignee executed or certified copies of the Management Agreement, and all Permits, Agreements, and Warranties and other written agreements, correspondence and memoranda between Assignor (and its predecessors in title) and the Manager, the Contractors, the Governmental Authorities, and others setting forth the contractual and other arrangements between them. Such requests may be made at any reasonable time. Monthly requests, or more frequent requests if made after the occurrence of an Event of Default, shall be deemed reasonable.

9. No Waiver; Mortgagee in Possession; Joint Venture. Nothing herein contained shall be construed as making Assignee a mortgagee in possession, or as constituting a waiver or suspension by Assignee of its right to enforce payment of the

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Indebtedness under the terms of the Loan Agreement and Loan Documents. Assignee is not the agent, partner or joint venturer of either the Assignor or of the Manager, the Contractors or the Governmental Authorities.

10. Assignee's Option to Enforce. This Assignment may be enforced from time to time by Assignee in its discretion, with or without order of any court and with or without appointment of a receiver, as Assignee shall determine. Assignee may also at any time cease to enforce this Assignment. Any failure on the part of Assignee promptly to exercise any option hereby given or reserved shall not prevent the exercise of any such option at any time thereafter. Assignee may pursue and enforce any remedy or remedies accorded it herein independently of, in conjunction or concurrently with, or subsequent to its pursuit and enforcement of any remedy or remedies which it may have under any of the Loan Documents.

11. Warranties and Representations. Each of Assignor and Operator warrant and represent that:

11.1. It has the right, power and authority to execute and deliver this Assignment, subject to limitations of law and of the Additional Collateral itself.

11.2. It has made no prior assignment of the Additional Collateral.

11.3. All Additional Collateral which exists on the date hereof is in full force and effect on the date hereof, subject to no appeal, claims, litigation, defenses, setoffs or counterclaims whatsoever, and all fees required for the full effectiveness of each existing Permit have been paid in full.

11.4. There exists no event, condition or occurrence which constitutes, or which with notice or the passage of time would constitute, a breach of or default under any term or condition of any of the Additional Collateral. Assignor and Operator hereby covenant and agree not to do any act which would destroy or impair the security to the Assignee of this Assignment.

12. Termination of Assignment. When the Mortgage has been fully reconveyed or released by Assignee, that reconveyance or release shall operate as a release and discharge of this Assignment and as a reassignment of all Additional Collateral with respect to the Facility to the Person or Persons legally entitled thereto, unless such reconveyance or release expressly provides to the contrary.

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13. Assignment of Interest. Assignor and Operator acknowledge and agree that Assignee may assign all or any portion of its rights and/or obligations hereunder to another Person, including, without limitation, to a trustee or Servicer before or after a Securitization, and that such trustee or Servicer shall be entitled to exercise all or any portion of Assignee's rights hereunder.

14. Construction. When the content so requires, the singular shall include the plural and conversely, and use of any gender shall include all genders.

15. Notices. All notices, demands, consents, requests or other communications that are permitted or required to be given by any party to the other hereunder shall be in writing and given in the manner specified in Section 8.6 of the Loan Agreement.

16. Headings. The headings preceding the text of the paragraphs of this Assignment are inserted only for convenience of reference and shall not constitute a part of this Assignment, nor shall they in any way affect its meaning, construction or effect.

17. Severability. If any term or provision of this Assignment or the application thereof to any Person or circumstance shall to any extent be invalid or unenforceable, the remainder of this Assignment, or the application of such term or provision to Persons or circumstances other than those as to which it is invalid or unenforceable, shall be affected thereby, and each term and provision of this Assignment shall be valid and enforceable to the maximum extent permitted by law.

18. Exhibits. The information set forth on the cover, heading and recitals hereof, and the Exhibit attached hereto, are hereby incorporated herein as a part of this Assignment with the same effect as if set forth in the body hereof.

19. Cross Collateralization. Without limitation to any other right or remedy provided to Assignee in this Assignment or any of the other Loan Documents, Assignor acknowledges and agrees that upon the occurrence of an Event of Default, (i) Assignee 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 Assignee, in its sole and absolute discretion, shall determine from time to time, (ii) Assignee is not required to either marshal assets, sell 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 Assignee of any remedies against any Collateral will not impede Assignee from subsequently or simultaneously exercising remedies against any other Facility, (iv) all Liens and other rights, remedies and privileges provided to Assignee in the Loan Documents or otherwise

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shall remain in full force and effect until Assignee 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 and (v) Assignor's Facility shall be security for the payment and performance of all obligations of all Borrowers under the Loan Documents, and (vi) Assignor and the other Borrowers shall be jointly and severally liable for payment of the Indebtedness and for performance of all obligations under the Loan Documents.

20. Exculpation. Without limiting the applicability of the terms of any Loan Document to this Assignment, this Assignment is and shall be subject to the exculpation provisions of Section 8.14 of the Loan Agreement.

21. Miscellaneous. This Assignment (a) shall be governed by and construed according to the law of the State in which the Facility is located, (b) shall be binding upon Assignor and Operator and their successors and assigns, including any subsequent owner of the Facility, and shall inure to the benefit of Assignee, its successors and assigns, and (c) may not be amended except by a written agreement executed by the parties hereto.

[Signatures on the following page]

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IN WITNESS WHEREOF, Assignor has caused this Assignment of Management Agreement and Agreements Affecting Real Estate to be duly executed the day and year first above mentioned.

ASSIGNOR

AVENUE ASSOCIATES, L.L.C.,
an Illinois limited liability company

By: AVENUE CARE MANAGEMENT, INC.,
an Illinois corporation,
its sole managing member

By: _____

Name: SHERWIN RAY
Title: PRESIDENT

OPERATOR

AVENUE CARE CENTER, INC.,
an Illinois corporation

By: _____

Name: SHERWIN RAY
Title: PRESIDENT

ASSIGNEE

NOMURA ASSET CAPITAL CORPORATION,
a Delaware corporation

By: _____

Name: Gregory Anderson
Title: Vice President

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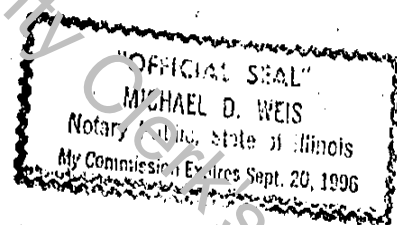
STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, Mr. Weis, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Shawn Ray, personally known to me to be the President of AVENUE CARE CENTER, INC., a corporation of the State of Illinois, appeared before me this day in person and acknowledged that as such Shawn 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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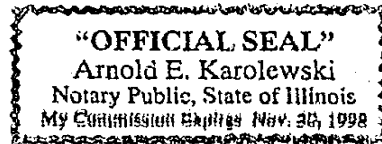
STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

I, ARNOLD E. KAROLEWSKI, 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.

Arnold E. Karolowski
Notary Public

My Commission Expires:



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- EXHIBIT A

LEGAL DESCRIPTION:

PARCEL 1:

THE NORTH 119.37 FEET (EXCEPT THE SOUTH 3.12 FEET OF THE WEST 98.42 FEET THEREOF) OF LOT 1 IN THE RESUBDIVISION OF LOTS 4, 5 AND 6, TOGETHER WITH PRIVATE ALLEYS ADJOINING SAID LOTS, ALL IN CLARKE AND SHARPE'S SUBDIVISION OF LOTS 1, 2, 3 AND 4 IN BLOCK 5 OF WALKER AND STINSON'S SUBDIVISION OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 3, 1889 AS DOCUMENT 1165259, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE SOUTH 3.12 FEET OF THE WEST 98.42 FEET OF LOT 1 AND LOTS 2 AND 3 AND THE NORTH 38 1/2 FEET OF LOT 4 IN THE RESUBDIVISION OF LOTS 4, 5 AND 6 TOGETHER WITH PRIVATE ALLEYS AND ADJOINING SAID LOTS IN CLARKE AND SHARP'S SUBDIVISION OF LOTS 1, 2, 3 AND 4 IN BLOCK 5 IN WALKER AND STINSON'S SUBDIVISION OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED OCTOBER 3, 1889 AS DOCUMENT 1165259, IN COOK COUNTY, ILLINOIS.

TAX NO.: 20-02-312-001

VOLUME NO.: 250

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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 ("Manager"), and Avenue Care Center, Inc., an Illinois corporation ("Operator").

W I T N E S S E T H

WHEREAS, Operator leases the real estate and the long term care facility located 4505 South Drexel, Chicago, Illinois (the "Premises") from Avenue Associates, 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 have the right to exercise the following powers and the obligation to perform the following functions:

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(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, Boulevard Property, L.L.C., 2320 South Lawndale, L.L.C. and Nomura Asset Capital Corporation as Lender (hereafter the "Loan Agreement").

(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

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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 or 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.

(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

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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. 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

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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.

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

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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 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

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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: Avenue Care Center, Inc.
4505 South Drexel
Chicago, Illinois

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

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 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

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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:

Care Plus, ^{Management} Inc., an Illinois corporation

By: _____
Its: Resident

OPERATOR:

Avenue Care Center, Inc., an Illinois corporation

By: _____
Its: Resident

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Schedule 9

Name of Manager

Manager

Fee

CarePlus Management, Inc.

\$24,000 per month

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