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Joseph B. Heil, Esquire
Dechert Price & Rhoads
4000 Bell Atlantic Tower
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Philadelphia, PA 19103-2793

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COOK COUNTY RECORDER

AMENDMENT TO LOAN DOCUMENTS

Made as of February 27, 1996

by and among

AVENUE ASSOCIATES, L.L.C.
as Borrower

AVENUE CARE CENTER, INC.
as Operator

CAREPLUS MANAGEMENT, INC.
as Manager

and

NOMURA ASSET CAPITAL CORPORATION
as Lender

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

PIN: 20-02-312-001

1st AMERICAN TITLE order #

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AMENDMENT TO LOAN DOCUMENTS

THIS AMENDMENT TO LOAN DOCUMENTS (this "Amendment") made as of February 21, 1996 is entered into by and among 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, ("Borrower"), AVENUE CARE CENTER, INC., an Illinois corporation, having an address at 4505 S. Drexel Avenue, Chicago, IL 60653 ("Operator"), CAREPLUS MANAGEMENT, INC., an Illinois corporation, having an address at 5940 W. Touhy Avenue Suite 350, Niles, Illinois 60714 ("Manager"), and NOMURA ASSET 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, "Lender").

RECITALS

A. WHEREAS, BOULEVARD PROPERTY, L.L.C., an Illinois limited liability company, and 2320 SOUTH LAWNDALE, L.L.C., an Illinois limited liability company (together, the "Other Borrowers"), Borrower and Lender (the Borrower and Other Borrowers are referred to herein individually as a "Borrower" and collectively as the "Borrowers") entered into that certain Loan Agreement originally dated as of November 17, 1995 and amended and restated as of even date herewith (said Loan Agreement as modified and supplemented and in effect from time to time, the "Loan Agreement") pursuant to which the Borrowers obtained a loan (the "Loan") from Lender in an aggregate amount of \$12,500,000 to finance the acquisition or refinancing by the Borrowers of nursing home facilities. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

B. WHEREAS, Operator leases Borrower's nursing home facility pursuant to that certain Master Lease by and between Operator, as lessee, and Borrower, as lessor, originally dated as of November 17, 1995 and amended and restated as of even date herewith (said Master Lease as modified and supplemented and in effect from time to time, the "Master Lease").

C. WHEREAS, Manager manages Borrower's nursing home facility pursuant to that certain Management Agreement by and among Manager, as manager, and Operator, as operator, originally dated as of November 17, 1995 and amended and restated as of even date herewith (said Management Agreement as modified and supplemented and in effect from time to time, the "Management Agreement").

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D. WHEREAS, in connection with the Loan, Borrower, Manager, Operator and Lender all desire to amend certain provisions of the documents listed on the attached Exhibit A which evidence and secure the Loan.

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

1. Original Mortgage. The Original Mortgage listed on the attached Exhibit A hereto and encumbering the property listed on the attached Exhibit B hereto is hereby amended to provide as follows:

1.1 The following new entry is hereby added to ARTICLE II of the Table of Contents:

Section 2.15. No Transfer

1.2 Paragraph 1 of the WITNESSETH section is hereby deleted and replaced in its entirety with the following:

WHEREAS, 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"), Mortgagor and Mortgagee 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 the Mortgagee to the Mortgagor 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, and Late Charges, together with the Yield Maintenance Premium, if any, in accordance with a promissory note executed and delivered by Mortgagor and the Affiliated Borrowers to the order of the Mortgagee (such note, as modified and supplemented and in effect from time to time, the "Note").

1.3 Paragraph 4 of the WITNESSETH section is hereby deleted and replaced in its entirety with the following:

WHEREAS, it is a condition to the obligation of the Mortgagee to extend credit to the Mortgagor and the Affiliated Borrowers pursuant to the Loan Agreement that the Mortgagor execute and deliver this Mortgage; and

1.4 Paragraph 5 of the WITNESSETH section is hereby deleted

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and replaced in its entirety with the following:

WHEREAS, the maximum amount of principal indebtedness secured hereby is \$25,000,000;

1.5 Subsection (a) of Paragraph 6 of the WITNESSETH section is hereby deleted and replaced in its entirety with the following:

(a) all principal (including, without limitation, any advance to the Mortgagor or any Affiliated Borrower now or hereafter made), interest, Default Rate interest, Late Charges, the Yield Maintenance Premium, if any, owing from time to time under the Note, and all obligations owing by the Mortgagor and the Affiliated Borrowers under the Loan Documents and amendments, modifications, extensions, substitutions, exchanges and renewals of the Loan Documents (each of which amendment, modification, extension, substitution, exchange and renewal shall enjoy the same priority as the advance made on the Closing Date as evidenced by the Note) and all amounts from time to time owing by the Mortgagor under this Mortgage and the Affiliated Borrowers under any other Loan Documents; and

1.6 Paragraph 9 of the WITNESSETH section is hereby deleted and replaced in its entirety with the following:

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Mortgagor and the Affiliated Borrowers (i) shall pay or cause to be paid to the Mortgagee the principal, interest, Default Rate interest, Late Charges, and the Yield Maintenance Premium, if any, payable in respect to the Note, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by the Mortgagor and the Affiliated Borrowers, and shall keep, perform, and observe all and singular the covenants and promises in each of the Loan Documents and in the Loan Agreement expressed to be kept, performed, and observed by and on the part of the Mortgagor and the Affiliated Borrowers, all without fraud or delay or (ii) comply with the provisions of Section 2.11 of the Loan Agreement then this Mortgage, and all the properties, interests, and rights hereby granted, bargained, and sold shall cease, terminate and be void.

1.7 The following definition of "Permitted Transfers" is hereby added to ARTICLE I, Section 1.01 and inserted following the definition of "Permitted Encumbrances":

"Permitted Transfers" shall mean (i) Permitted Encumbrances, (ii) all transfers of worn out or obsolete furnishings, fixtures or equipment that are

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replaced with equivalent property, (iii) the initial signing of any Master Lease (but not any amendments thereto or any other Leases), (iv) any transfer of an interest in Mortgagor which results from the death or incapacity of a Person, (v) any transfer of an interest in Mortgagor by any Person other than the managing member of Mortgagor, provided that such transfer within any twelve (12) month period does not in the aggregate constitute a transfer or transfers of more than a 49% interest in Mortgagor, and (vi) any other transfer of an interest in Mortgagor by any Person other than the managing member of Mortgagor, provided that (y) prior to such transfer, if such transfer or transfers within any twelve (12) month period in the aggregate constitute a transfer or transfers of more than a 49% interest in Mortgagor (excluding for the purposes of determining whether a 49% interest has been transferred, transfers of legal or beneficial ownership interests in Mortgagor by a Person to such Person's spouse, former spouses, lineal descendants, adopted children and trusts), the Mortgagor shall have paid to Mortgagee a fee equal to 1% of the outstanding Principal Indebtedness (which fee shall be in addition to Mortgagor's obligation to pay any principal and interest hereunder) and (z) prior to a Securitization, Mortgagee has consented to such transfer or transfers and after a Securitization, the Rating Agencies have confirmed in writing that such transfer or transfers will not cause a downgrade, withdrawal, or qualification of the then applicable rating on any securities issued in connection with a Securitization.

1.8 The definition of "Permitted Encumbrances" in ARTICLE I, Section 1.01 is hereby deleted and replaced in its entirety with the following:

"Permitted Encumbrances" means, with respect to the Facility, collectively, (i) the Lien created by this Mortgage or the other Loan Documents of record, (ii) all Liens and other matters disclosed in the Title Insurance Policy concerning the Facility or any part thereof which have been approved by Mortgagee in Mortgagee's discretion, (iii) Liens, if any, for Impositions imposed by any Governmental Authority not yet due or delinquent or being contested in good faith and by appropriate proceedings in accordance with this Mortgage, (iv) subject to Section 2.06(b) of this Mortgage, any mechanics' and materialmen's Liens deleted from the exceptions to, or affirmatively insured against collection with respect to, the Facility under the Title Insurance Policy with respect to the Mortgagor's Facility, and (v) without limiting the foregoing, any and all governmental, public utility and private restrictions, covenants, reservations, easements, licenses or other agreements of an immaterial nature which may be granted by Mortgagor after the Closing Date and which do not affect (A) the ability of Mortgagor to pay any of its obligations to any Person as and when due, (B) the marketability of title to the Facility, (C) the fair market value of the Facility, or (D) the use or operation of the Facility.

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1.9 The following definition of "Rating Agencies" is hereby added to ARTICLE I, Section 1.01 and inserted following the definition of "Proceeds":

"Rating Agencies" means Fitch Investors Service, Inc., Moody's Investors Service, Inc., Duff & Phelps Credit Rating Co. and Standard & Poor's Rating Services, or any successor thereto, and any other nationally recognized statistical rating organization which may hereafter be engaged by Mortgagee or its designees.

1.10 The following definition of "Transfer" is hereby added to ARTICLE I, Section 1.01 and inserted following the definition of "Rents":

"Transfer" means any conveyance, transfer, sale, Lease (including any Master Lease or any amendment thereof) (including any amendment, extension, modification, waiver or renewal thereof), assignment, mortgage, pledge, grant of a security interest, or hypothecation, whether by law or otherwise, of any Collateral (including any legal or beneficial direct or indirect interest in Mortgagor, including, without limitation, any membership interest or any economic interest) other than a Permitted Transfer

1.11 ARTICLE II, Section 2.01 is hereby deleted and replaced in its entirety with the following:

Section 2.01. Payment of Secured Loan Obligations. The Mortgagor shall pay when due the principal, the interest, Default Rate interest, Late Charges, and the Yield Maintenance Premium if any, owing from time to time under the Note and all charges, fees and other Loan Obligations as provided in the Loan Documents, including without limitation the Affiliated Borrowers' obligations under the Loan Documents.

1.12 ARTICLE II, Section 2.03(d) is hereby deleted and replaced in its entirety with the following:

(d) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation (other than a law, order, rule, or regulation relating to income tax imposed on Mortgagee) subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of mortgages or security agreements or debts secured thereby or the manner of collecting such taxes so as to adversely affect the Mortgagee, the Mortgagor will pay any such tax on or before the due date thereof. If the Mortgagor fails to make such prompt payment or if, in the opinion of the Mortgagee, any such state, federal, municipal, or other governmental law, order,

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rule or regulation prohibits the Mortgagor from making such payment or would penalize the Mortgagee if the Mortgagor makes such payment or if, in the opinion of the Mortgagee, the making of such payment might result in the imposition of interest beyond the Maximum Amount, then the entire balance of the Loan Obligations shall, at the option of the Mortgagee, become due and payable on the date that is 120 days after the passage of such law, order, rule or regulation.

1.13 ARTICLE II, Section 2.03(e) is hereby deleted and replaced in its entirety with the following:

(e) The Mortgagor hereby indemnifies and holds the Mortgagee harmless from any sales or use tax that may be imposed on the Mortgagee by virtue of the Loan from the Mortgagee to the Mortgagor and the Affiliated Borrowers other than taxes imposed on the income of the Mortgagee.

1.14 ARTICLE II, Section 2.05(a)(i) is hereby deleted and replaced in its entirety with the following:

(i) During any period of repair or restoration, builder's "all risk" insurance in an amount equal to not less than the full insurable value of the Facility against such risks (including, without limitation, fire and extended coverage and collapse of the Improvements to agreed limits) as Mortgagee may request, in form and substance acceptable to Mortgagee;

1.15 ARTICLE II, Section 2.05(b) is hereby deleted and replaced in its entirety with the following:

(b) The Mortgagor will maintain the insurance coverage described in Section 2.05 with companies acceptable to Mortgagee and with a claims paying ability of not less than AA by Standard & Poor's Ratings Services and AA or its equivalent by any one of the other Rating Agencies. All insurers providing insurance required by this Mortgage shall be authorized to issue insurance in the state where the Facility is located.

The insurance coverage required under Section 2.05(a) may be effected under a blanket policy or policies covering the Mortgaged Estate and other property and assets not constituting a part of the Mortgaged Estate; provided that any such blanket policy shall specify, except in the case of public liability insurance, the portion of the total coverage of such policy that is allocated to the Facility and Equipment and Inventory located thereon, and any sublimits in such blanket policy applicable to the Mortgaged Estate, which amounts shall not be less than the amounts required pursuant to Section 2.05(a) and which shall in any case

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comply in all other respects with the requirements of this Section 2.05.

1.16 ARTICLE II, Section 2.05(e)(iii) is hereby deleted and replaced in its entirety with the following:

(iii) The Mortgagor shall demonstrate to the Mortgagee's reasonable satisfaction the Mortgagor's ability to pay the Loan Obligations coming due during such restoration period;

1.17 ARTICLE II, Section 2.06(c) is hereby deleted and replaced in its entirety with the following:

(c) The Mortgagor shall fund the Basic Carrying Costs Sub-Account to the extent required pursuant to the Loan Agreement and the real property taxes and assessments applicable to the Facility shall be paid from the Basic Carrying Costs Sub-Account in accordance with the Loan Agreement.

1.18 Paragraph 1 of ARTICLE II, Section 2.08(f)(iv) is hereby deleted and replaced in its entirety with the following:

(iv) the breach of any representation, warranty or covenant set forth in Section 4.1(b)(U) and Sections 5.1(A) through 5.1(I), inclusive, of the Loan Agreement.

1.19 Paragraph 1 of ARTICLE II, Section 2.08(f) is hereby deleted and replaced in its entirety with the following:

(f) The Mortgagor agrees to indemnify, reimburse, defend, and hold harmless the Mortgagee for, from, and against all demands, claims, actions or causes of action, assessments, losses, damages, liabilities, costs and expenses, including, without limitation, interest, penalties, consequential damages, reasonable attorneys' fees, disbursements and expenses, and reasonable consultants' fees, disbursements and expenses, including costs of Remedial Work (but excluding internal overhead, administrative and similar costs of the Mortgagee), asserted against, resulting to, imposed on, or incurred by the Mortgagee, directly or indirectly (except and to the extent the same are caused by the Mortgagee's gross negligence or willful misconduct) in connection with any of the following.

1.20 ARTICLE II, Section 2.12(c)(iii) is hereby deleted and replaced in its entirety with the following:

(iii) The Mortgagor shall demonstrate to the Mortgagee's reasonable

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satisfaction the Mortgagor's ability to pay the Loan Obligations coming due during such restoration period;

1.21 The following new section, ARTICLE II, Section 2.15, is hereby added to ARTICLE II following ARTICLE II, Section 2.14:

Section 2.15. No Transfer. Mortgagor shall not and shall not cause, allow, or permit, and shall prevent from occurring, a Transfer, without the prior written consent of Mortgagee, which consent may be withheld or conditioned in Mortgagee's sole and absolute discretion. Consent to any such Transfer by Mortgagee shall not be deemed a waiver of Mortgagee's right to require such consent to any further or future Transfers.

1.22 ARTICLE III, Section 3.01 is hereby deleted and replaced in its entirety with the following:

Section 3.01. Assignment of Rents, Issues and Profits. The Mortgagor does hereby absolutely and unconditionally assign to the Mortgagee the Mortgagor's right, title and interest in all current and future Leases and Rents, it being intended by the Mortgagor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Such assignment to the Mortgagee shall not be construed to bind the Mortgagee to the performance of any of the covenants, conditions or provisions contained in any such Leases or otherwise impose any obligation upon the Mortgagee. The Mortgagor agrees that further to evidence and reflect the assignment of leases granted herein, Mortgagor shall execute, acknowledge and deliver to Mortgagee assignments of all existing and future Leases of all or any portion of the Mortgaged Estate in form and substance reasonably satisfactory to Mortgagee and shall at the request of Mortgagee, at Mortgagor's expense, record such leases or memoranda thereof and all assignments thereof. Nevertheless, subject to the terms of this Section 3.01, the Mortgagee grants to the Mortgagor a license, revocable as hereinafter provided, to operate and manage the Mortgaged Estate and to collect and use the Rents subject to the requirements of the Loan Agreement. In accordance with Section 2.12(a) of the Loan Agreement, (i) on the Closing Date (and at all times thereafter to but excluding the Prepayment Date), all payments due under the Master Lease for the Facility, except Bonus Rent (as defined in such Master Lease), shall be deposited when due into the Collection Account, and (ii) on and after the Prepayment Date (without Mortgagee's election), or upon the occurrence of an Event of Default (at Mortgagee's election), all rents, revenues or income of any kind derived by the Operator or from such Borrower's Facility within one Business Day of receipt thereof shall be deposited into the Collection Account. Such deposits shall then be transferred into the Cash Collateral Account in

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accordance with the Loan Agreement. Upon the occurrence of an Event of Default, the license granted to Mortgagor herein shall, at Mortgagee's election, be revoked by the Mortgagee, and the Mortgagee shall immediately be entitled to possession of all Rents in the Collection Accounts and the Cash Collateral Account and all Rents collected thereafter (including Rents past due and unpaid), whether or not the Mortgagee enters upon or takes control of the Mortgaged Estate. Upon such an election, Mortgagee shall provide Mortgagor with written notice of same. The Mortgagee is hereby granted and assigned by the Mortgagor the right, at its option, upon revocation of the license granted herein, to enter upon the Mortgaged Estate in person, by agent or by court appointed receiver to collect Rents. Any Rents collected after the revocation of the license may be applied by Mortgagee in its sole and absolute discretion toward payment of the Loan Obligations in accordance with Section 2.8 of the Loan Agreement.

1.23 ARTICLE V, Section 5.04 is hereby deleted and replaced in its entirety with the following:

Section 5.04. Application of Proceeds.

(a) Any amounts received or collected by Mortgagee under this Mortgage shall be applied in accordance with Section 2.8 of the Loan Agreement.

(b) Subject to Section 6.15, no sale or other disposition of all or any part of the Mortgaged Estate pursuant to Section 5.03 shall be deemed to relieve the Mortgagor of its obligations under the Loan Agreement or any other Loan Document except to the extent the proceeds thereof are applied to the payment of such obligations. If the proceeds of sale, collection or other realization of or upon the Mortgaged Estate are insufficient to cover the costs and expenses of such realization and the payment in full of the Loan Obligations, the Mortgagor shall remain liable for any deficiency.

1.24 ARTICLE VI, Section 6.10 is hereby deleted and replaced in its entirety with the following:

Section 6.10. Limitation of Interest. It is the intent of the Mortgagor and the Mortgagee in the execution of this Mortgage and all other Loan Documents to contract in strict compliance with the usury laws governing the Loan. In furtherance thereof, the Mortgagee and the Mortgagor stipulate and agree that none of the terms and provisions contained in the Loan Documents shall ever be construed to create a contract for the use, forbearance or detention of money requiring payment of interest at a rate in excess of the Maximum Amount. The

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Mortgagor or any endorser or other party now or hereafter becoming liable for the payment of the Note shall never be liable for unearned interest on the Note and shall never be required to pay interest on the Note at a rate in excess of the Maximum Amount, and the provisions of this Section 6.10 shall control over all other provisions of the Note and any other Loan Document which may be in apparent conflict herewith. In the event any holder of the Note shall collect monies that are deemed to constitute interest and that would otherwise increase the effective interest rate on the Note to a rate in excess of the Maximum Amount, all such sums deemed to constitute interest in excess of the Maximum Amount shall be applied to the unpaid principal balance of the Note and if in excess of such balance, shall be immediately returned to the Mortgagor or to either Affiliated Borrower upon such determination.

1.25 ARTICLE VI, Section 6.11 is hereby deleted and replaced in its entirety with the following:

Section 6.11. Assignment. The Mortgagee shall have the right to assign this Mortgage and the obligations hereunder to any Person in accordance with the Loan Agreement. The parties hereto acknowledge that following the execution and delivery of this Mortgage, the Mortgagee may sell, transfer and assign this Mortgage and certain other Loan Documents to any Person including, without limitation, a trustee in connection with a Securitization. All references to "Mortgagee" hereunder shall be deemed to include the assigns of the Mortgagee including the trustee in any Securitization.

1.26 Schedule 1 is hereby amended as set forth on Schedule D attached hereto.

2. Original Assignment of Leases. The Original Assignment of Leases listed on the attached Exhibit A is hereby amended to provide as follows:

2.1 Paragraph 2 of the RECITALS section is hereby deleted and replaced in its entirety with the following:

WHEREAS, BOULEVARD PROPERTY, L.L.C., an Illinois limited liability company, and 2320 SOUTH LAWNSDALE, L.L.C., an Illinois limited liability company (together, the "Affiliated Borrowers"), Assignor and Assignee are parties to a Loan Agreement dated as of the date hereof (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 Loan is to be evidenced by, and repayable with

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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 and the Affiliated Borrowers to the order of Assignee (such note, as modified and supplemented and in effect from time to time, the "Note");

2.2 Section 2 is hereby deleted and replaced in its entirety with the following:

2. Assignment of Leases and Rents. Assignor does hereby absolutely and unconditionally assign to Assignee all of Assignor's right, title and interest in all current and future Leases and Rents, it being intended by Assignor that this assignment constitutes a present, absolute assignment and not an assignment for additional security only. Such assignment to Assignee shall not be construed to bind Assignee to the performance of any of the covenants, conditions or provisions contained in any such Leases or otherwise impose any obligation upon Assignee, and notwithstanding the Assignment, Assignor shall remain liable for any obligations undertaken by it pursuant to any Lease. Assignor agrees to execute and deliver to Assignee such additional instruments, in form and substance reasonably satisfactory to Assignee, as may hereafter be requested by Assignee to further evidence and confirm such assignment. Nevertheless, subject to the terms of this Section 2, Assignee grants to Assignor a license, revocable as hereinafter provided, to operate and manage the Facility and to collect and use the Rents subject to the requirements of the Loan Agreement. In accordance with Section 2.12(a) of the Loan Agreement, (i) on the Closing Date (and at all times thereafter to but excluding the Prepayment Date), all payments due under the Master Lease for the Facility, except Bonus Rent (as defined in such Master Lease), shall be deposited when due into the Collection Account, and (ii) on and after the Prepayment Date (without Assignee's election), or upon the occurrence of an Event of Default (at Assignee's election), all rents, revenues or income of any kind derived by the Operator or from such Borrower's Facility within one Business Day of receipt thereof shall be deposited into the Collection Account. Upon the occurrence of an Event of Default, the license granted to Assignor herein shall, at Assignee's election, be revoked by Assignee, and Assignee shall immediately be entitled to possession of all Rents then or thereafter in the Collection Accounts and in the Cash Collateral Account and all Rents collected thereafter (including Rents past due and unpaid) whether or not Assignee enters upon or takes control of the Facility. Upon such an election, Assignee shall promptly provide Assignor with written notice of same. Any Rents collected by Assignor from and after the date on which an Event of Default occurred shall be held by Assignor in trust for Assignee. Assignee is hereby granted and assigned by Assignor the right, at its option, upon revocation of the license granted herein, to enter upon the Facility in person, by agent or by court appointed receiver to

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collect the Rents.

2.3 Section 5 is hereby deleted and replaced in its entirety with the following:

5. Security Deposit. In accordance with Section 2.12(a) of the Loan Agreement, all security deposits collected by or held by Assignor or Operator shall be deposited (within one business Day after receipt thereof) directly into the Security Deposit Account for the Facility. Any bond or other instrument which Assignor is permitted to hold in lieu of cash security deposits under applicable Legal Requirements shall be maintained in full force and effect unless replaced by cash deposits, shall be issued by a Person reasonably satisfactory to Assignee, shall, if permitted pursuant to Legal Requirements, name Assignee as payee or beneficiary thereunder (or at Assignee's option, be fully assignable to Assignee) and shall, in all respects, comply with applicable Legal Requirements and otherwise be reasonably satisfactory to Assignee. Assignor shall, upon request, provide Assignee with evidence reasonably satisfactory to Assignee of Assignor's and Operator's compliance with the provisions of this Section 5. Upon the occurrence of an Event of Default, the license granted to Assignor herein shall at Assignee's election be revoked by Assignee, and, upon notice of such revocation, Assignee shall immediately be entitled to possession of all of the security deposits, whether or not Assignee enters upon or takes control of the Facility and whether or not the security deposits are deposited in the Security Deposit Account.

3. Original Assignment of Management Agreement. The Original Assignment of Management Agreement listed on the attached Exhibit A is hereby amended to provide as follows:

3.1 Paragraph B of the RECITALS section is hereby deleted and replaced in its entirety with the following:

B. BOULEVARD PROPERTY, L.L.C., an Illinois limited liability company, and 2320 SOUTH LAWDALE, L.L.C., an Illinois limited liability company (together, the "Affiliated Borrowers"), Assignor and Assignee 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 Loan 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 and the Affiliated Borrowers to the order of Assignee (such note, as

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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;

3.2 Paragraph E of the RECITALS section is hereby deleted and replaced in its entirety with the following:

E. Assignee and Assignor contemplate that Assignee's interest in and to, inter alia, the Loan (or a portion thereof), the Note, this Assignment and the other Loan Documents be assigned by Assignee to another Person, including without limitation, to a trustee on behalf of security holders in connection with a Securitization; and

3.3 The following new Paragraph F is hereby added to the RECITALS section following Paragraph E of the RECITALS section:

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).

4. Original Manager's Consent. The Original Manager's Consent listed on the attached Exhibit A is hereby amended to provide as follows:

4.1 Paragraph B of the RECITALS section is hereby deleted and replaced in its entirety with the following.

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 BOULEVARD PROPERTY, L.L.C., an Illinois limited liability company, and 2320 SOUTH LAWDALE, L.L.C., an Illinois limited liability company (together, the "Affiliated Borrowers"), Borrower and Lender 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 the Affiliated Borrowers and payable to the order of Lender (such note, as modified and supplemented and in effect from time to time, the "Note");

4.2 Paragraph D of the RECITALS section is hereby deleted and replaced in its entirety with the following:

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D. Manager manages the Mortgaged Property pursuant to that certain Management Agreement originally dated February 9, 1996 between Operator and Manager (as modified and supplemented and in effect from time to time, the "Management Agreement");

4.3 Section 17 is hereby deleted and replaced in its entirety with the following:

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 not be affected thereby, and each term and provision of this Assignment shall be valid and enforceable to the maximum extent permitted by law.

4.4 Exhibit B of the Original Manager's Consent is hereby deleted and replaced in its entirety with the Amended and Restated Management Agreement attached as Exhibit C hereto.

5. Severability. In case any provision of this Amendment shall be invalid, illegal, or unenforceable, such provision shall be deemed to have been modified to the extent necessary to make it valid, legal, and enforceable. The validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

6. No Modification Except in Writing. None of the terms of this Amendment may be waived, altered, amended or otherwise changed except by an instrument in writing duly executed by all of the parties hereto.

7. Further Assurances. Borrower, Manager and Operator shall execute and deliver such further instruments and perform such further acts as may be requested by Lender from time to time to confirm the provisions of this Amendment and the Loan Documents, to carry out more effectively the purposes of this Amendment and the Loan Documents, or to confirm the priority of any Lien created by any of the Loan Documents.

8. Representations and Warranties. Without limiting in any way any representation or warranty in any Loan Document, Borrower, Manager and Operator represent and warrant that as of the date hereof:

8.1 Organization. Each (i) is a duly organized and validly existing

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limited liability company or corporation, as applicable, in good standing under the laws of the State of its formation (ii) has the requisite power and authority to carry on its business as now being conducted, and (iii) has the requisite limited liability company or corporate, as applicable, power to execute and deliver, and perform its obligations under this Agreement and the Loan Documents.

8.2 Authorization. The execution and delivery by Borrower, Manager and Operator of this Agreement and the Loan Documents to which each is a party, their performance of their obligations hereunder and thereunder and the creation of the security interests and Liens provided for in this Agreement and the Loan Documents (i) have been duly authorized by all requisite limited liability company or corporate, as applicable, action on the part of Borrower, Manager and Operator (ii) will not violate any provision of any applicable Legal Requirements, any order of any court or other Governmental Authority, the articles of organization or operating agreement, or articles of incorporation, as applicable, of Borrower, Manager or Operator or any indenture or material agreement or other instrument to which Borrower, Manager or Operator is a party or by which Borrower, Manager or Operator is bound, (iii) will not be in conflict with, result in a breach of, or constitute (with due notice or lapse of time or both) a default under, or result in the creation or imposition of any Lien of any nature whatsoever upon any of the property or assets of Borrower, Manager or Operator pursuant to, any such indenture or material agreement or instrument and (iv) have been duly executed and delivered by Borrower, Manager and Operator. Other than those obtained or filed on or prior to the date hereof, neither Borrower, Manager nor Operator is required to obtain any consent, approval or authorization from, or to file any declaration or statement with, any Governmental Authority or other agency in connection with or as a condition to the execution, delivery or performance of this Agreement or the Loan Documents.

8.3 Litigation. There are no actions, suits or proceedings at law or in equity by or before any Governmental Authority or other agency now pending and served or, to the knowledge of Borrower, Manager or Operator, threatened against Borrower, Manager or Operator or Borrower's Facility.

8.4 Agreements. Neither Borrower, Manager nor Operator is a party to any agreement or instrument or subject to any restriction which is reasonably likely to have a Material Adverse Effect. Neither Borrower, Manager nor Operator is in default in any material respect in the performance, observance or fulfillment of any of the obligations, covenants or conditions contained in any agreement or instrument to which it is a party or by which Borrower, Manager, or Operator or Borrower's Facility is bound.

8.5 Full and Accurate Disclosure. No statement of fact made by or on behalf of Borrower, Manager or Operator in this Agreement or the Loan Documents to

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which either is a party or in any other document or certificate delivered to Lender contains any untrue statement of a material fact or omits to state any material fact necessary to make statements contained herein or therein not misleading. There is no fact presently known to Borrower, Manager or Operator which has not been disclosed to Lender which adversely affects, nor as far as Borrower, Manager or Operator can foresee, might materially affect the business, operations or condition (financial or otherwise) of Borrower, Manager or Operator.

8.6 Enforceability. This Agreement is the legal, valid and binding obligation of Borrower, Manager and Operator enforceable against Borrower, Manager and Operator in accordance with its terms, subject to bankruptcy, insolvency and other limitations on creditors' rights generally and to equitable principles.

8.7 Survival of Representations and Warranties. Without in any way limiting any provision of any Loan Document which provides for a longer period of survival, Borrower, Manager and Operator hereby agree that (i) all representations and warranties made in this Agreement shall continue for so long as any amount remains owing to Lender under the Loan Agreement, the Note or any of the other Loan Documents, and (ii) all representations, warranties, covenants and agreements made in this Agreement shall be deemed to have been relied upon by Lender notwithstanding any investigation heretofore or hereafter made by Lender or on its behalf.

9. Miscellaneous.

9.1 This Amendment together with the Loan Agreement, the Note and the other Loan Documents constitutes the entire agreement among the parties concerning its subject matter.

9.2 This Amendment shall inure to the benefit of and be binding upon the parties and their respective heirs, successors and assigns.

9.3 This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. This Amendment will not be binding on or constitute evidence of a contract between the parties until such time as a counterpart of this document has been executed by each party and a copy thereof is delivered to each party to this Amendment.

9.4 Borrower, Manager, and Operator confirm and ratify the terms and provisions of the Loan Documents to which each is a party as modified hereby and agree that the Loan Documents, as so modified, remain in full force and effect as of the date hereof, and nothing herein contained shall be construed to impair the security or

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affect the first priority of the lien of any mortgage, nor impair any rights or powers which Lender or its successors may have for nonperformance of any term of any of the Loan Documents. Borrower, Manager and Operator further reaffirm and ratify their obligations to be bound by and perform all of the terms of the Loan Documents to which each is a party.

9.5 Without in any way limiting the representations and warranties contained in the Original Assignment of Leases, the Original Mortgage, the Original Assignment of Management Agreement, the Original Manager's Consent or any other Loan Document, (i) Borrower hereby remakes, as of the date hereof, and in addition to, the representations and/or warranties contained in Section 6 of the Original Assignment of Leases and Section 4.03 of the Original Mortgage, (ii) Borrower and Operator hereby remake, as of the date hereof, and in addition to, the representations and warranties contained in Section 11 of the Original Assignment of Management Agreement, and (iii) Manager hereby remakes, as of the date hereof, and in addition to, the representations contained in Section 2 of the Original Manager's Consent.

9.6 This Amendment is solely intended to and shall amend the documents listed on attached Exhibit A. In connection herewith, there has been no disbursement of funds or extension to any Borrower of any additional credit, and the execution and delivery hereof shall not constitute new indebtedness, nor shall it constitute a novation of any Loan Document. Nothing in this Amendment is intended to or shall impair any Lien which Lender ever had, now has, or may hereafter have on any property of Borrowers or of the Operators of Borrowers' Facilities under the Loan Documents including, without limitation, the Collateral.

9.7 Each Borrower's obligations under the Note and all other Loan Documents shall be joint and several.

9.8 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 conflict of law).

9.9 Lender agrees and consents to the amendment and restatement, of even date herewith, of the initial Master Lease, as defined in the original Loan Agreement, and Lender agrees that such amendment and restatement shall not constitute an Event of Default under Section 7.1 of the Loan Agreement.

[signatures on following page]

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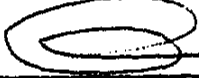
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IN WITNESS WHEREOF, the parties hereto have caused this Amendment to Loan Documents to be duly executed by their duly authorized representatives, all as of the day and year first above written.

LENDER:

NOMURA ASSET CAPITAL
CORPORATION, a Delaware corporation

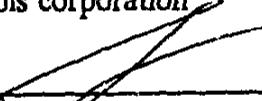
By: 

Name: Gregory Anderson

Title: Vice President

MANAGER:

CAREPLUS MANAGEMENT, INC.,
an Illinois corporation

By: 

Name: Sherwin Roy

Title: President

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OPERATOR:

AVENUE CARE CENTER, INC.,
an Illinois corporation

By: _____
Name: Sherwin Ray
Title: President

BORROWER:

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

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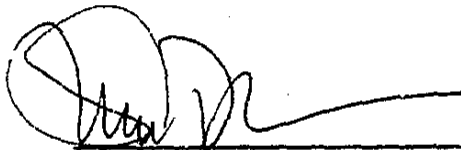
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STATE OF New York)
COUNTY OF New York) SS:

I, Susand Chow, 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 28 day of February, A.D. 1996.



Notary Public

My Commission Expires:
3/23/97

SUSAND CHOW
NOTARY PUBLIC, State of New York
No. 31-4882614
Qualified in New York County
Commission Expires March 23, 1997

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APR 11 2004
CLERK OF COURT
COURT HOUSE
JANUARY 11 2004
CLERK OF COURT

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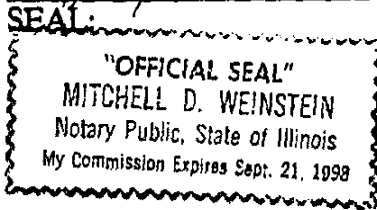
STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

Before me, a notary public in and for said county, personally appeared Shawn Ray, known to me to be the person who as president on behalf of CAREPLUS MANAGEMENT, INC., 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 subscribed my name this 27th day of February, 1996.

Mitchell D. Weinstein
Notary Public

My Commission Expires:

9/21/98



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STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

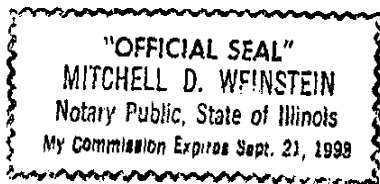
I, Mitchell D. Weinstein, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that Sherwin Ray, personally known to me to be the president of AVENUE CARE CENTER, INC., a corporation of the State of Illinois, appeared before me this day in person and acknowledged that as such Sherwin 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 27th day of February,
A.D. 1996.

Mitchell D. Weinstein
Notary Public

My Commission Expires:

9/21/99
SEAL:



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STATE OF ILLINOIS

COUNTY OF COOK

)
) SS: _____
)

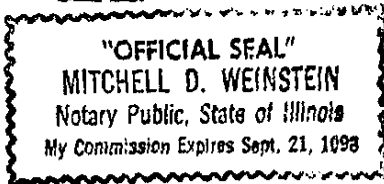
Sherwin Ray Before me, a notary public in and for said county, personally appeared known to me to be the person who as president of AVENUE CARE MANAGEMENT, INC., an Illinois corporation, Managing Member on behalf of AVENUE ASSOCIATES, L.L.C., an Illinois limited liability company, did sign the foregoing 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 21st day of February, 1996.

Mitchell D. Weinstein
Notary Public

My Commission Expires:

9/21/98

SEAL:



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EXHIBIT A

1. Mortgage, Assignment of Rents, Security Agreement and Fixture Filing by Borrower, as mortgagor, to Lender, as mortgagee, recorded on November 22, 1995 with the Cook County Recorder, Cook County, Illinois as Instrument Number 95810137 (the "Original Mortgage").
2. Assignment of Leases and Rents by Borrower, as assignor, to Lender, as assignee, recorded on November 22, 1995 with the Cook County Recorder, Cook County, Illinois as Instrument Number 95810138 (the "Original Assignment of Leases").
3. Assignment of Management Agreement and Agreements Affecting Real Estate by Borrower, as assignor, and Operator, as operator, to Lender, as assignee, recorded on November 22, 1995 with the Cook County Recorder, Cook County, Illinois as Instrument Number 95810140 (the "Original Assignment of Management Agreement").
4. Manager's Consent and Subordination of Management Agreement by Manager, as manager, and Operator, as operator, to Lender, as lender, recorded on November 22, 1995 with the Cook County Recorder, Cook County, Illinois as Instrument Number 95810139 (the "Original Manager's Consent").

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EXHIBIT B

DESCRIPTION OF PROPERTY

The following land and premises located in Cook County, Illinois:

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 SHARPE'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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EXHIBIT C

[Insert Amended and Restated Management Agreement]

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AMENDED AND RESTATED MANAGEMENT AGREEMENT

THIS AMENDED AND RESTATED MANAGEMENT AGREEMENT (this "Agreement") is made and entered into this 27th day of February, 1996, 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 originally dated November 17, 1995 and amended and restated as of even date herewith (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 originally dated as of November 17, 1995, and amended and restated as of even date herewith by and among 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").

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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 originally dated as of November 17, 1995 and amended and restated as of even date herewith, 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.

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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 servies 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: 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

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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.

22. Amendment and Restatement. This Amended and Restated Management Agreement is solely intended to and shall amend and restate in its entirety that certain Management Agreement dated as of November 17, 1995 by and between Lessor and Lessee (the "Original Management Agreement"). Nothing in this Amended and Restated Management Agreement shall impair any Lien which Lender ever had, now has, or may hereafter have on any property of Operator of any of the Facilities including, without limitation, the Collateral.

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

MANAGER:

CarePlus Management, Inc., an
Illinois corporation

By: _____
Its: President

OPERATOR:

Avenue Care Center, Inc., an
Illinois corporation

By: _____
Its: President

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Schedule 9

Name of Manager

Manager

Fee

CarePlus Management, Inc.

\$24,000 per month

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SCHEDULE D

Schedule 1 to the Original Mortgage is hereby amended as follows:

1. The definition of "Agreement" is hereby deleted and replaced in its entirety with the following:

"Agreement" means that certain Amended and Restated Loan Agreement by and among Secured Party, Lender and certain other parties thereto, together with any guarantees, supplements, amendments, modifications, extensions, and renewals of the same.

2. The words "or the Operator" in subsection (x) of the definition of "Facility Rents" are hereby deleted.

3. The following definition of "Lender" is hereby added following the definition of "Leases".

"Lender" means Nomura Asset Capital Corporation, together with its successors and assigns.

4. The definition of "Loan" is hereby deleted and replaced in its entirety with the following:

"Loan" means that certain loan to be made by Lender to the Secured Party and other certain parties pursuant to the Agreement.

5. The definition of "Master Lease" is hereby deleted and replaced in its entirety with the following:

"Master Lease" means, with respect to the Facility, the Lease between Debtor and the Secured Party for the lease of all or a part of the Facility, together with any guarantees, supplements, amendments, modifications, extensions, and renewals of the same, and all additional remainders, reversions, and other rights and estates appurtenant thereto.

6. The definition of "Operator" is hereby deleted in its entirety.

7. The definition of "Permitted Investments" is hereby deleted and replaced in its

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entirety with the following:

"Permitted Investments" means any one or more of the following obligations or securities:

(a) obligations of, or obligations fully guaranteed as to payment of principal and interest by, (x) the United States or any agency or instrumentality thereof provided such obligations are backed by the full faith and credit of the United States of America including, without limitation, obligations of: the U.S. Treasury (all direct or fully guaranteed obligations), the Farmers Home Administration (certificates of beneficial ownership), the General Services Administration (participation certificates), the U.S. Maritime Administration (guaranteed Title XI financing), the Small Business Administration (guaranteed participation certificates and guaranteed pool certificates), the U.S. Department of Housing and Urban Development (local authority bonds) and the Washington Metropolitan Area Transit Authority (guaranteed transit bonds); provided, however, that the investments described in this clause must (i) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (ii) if rated by Standard & Poor's Rating Services, must not have an "r" highlighter affixed to their rating, (iii) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (iv) such investments must not be subject to liquidation prior to their maturity;

(b) Federal Housing Administration debentures;

(c) obligations of the following United States government sponsored agencies: Federal Home Loan Mortgage Corp. (debt obligations), the Farm Credit System (consolidated systemwide bonds and notes), the Federal Home Loan Banks (consolidated debt obligations), the Federal National Mortgage Association (debt obligations), the Student Loan Marketing Association (debt obligations), the Financing Corp. (debt obligations), and the Resolution Funding Corp. (debt obligations); provided, however, that the investments described in this clause must (i) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (ii) if rated by Standard & Poor's Rating Services, must not have an "r" highlighter affixed to their rating, (iii) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (iv) such investments must not be subject to liquidation prior to their

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maturity;

(d) federal funds, unsecured certificates of deposit, time deposits, bankers' acceptances and repurchase agreements of any bank, the short term obligations of which are rated in the highest short term rating category by the Rating Agencies; provided, however, that the investments described in this clause must (i) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (ii) if rated by Standard & Poor's Rating Services, must not have an "r" highlighter affixed to their rating, (iii) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (iv) such investments must not be liquidated prior to their maturity;

(e) fully Federal Deposit Insurance Corporation-insured demand and time deposits in or certificates of deposit of, or bankers' acceptances issued by, any bank or trust company, savings and loan association or savings bank; provided, however, that the investments described in this clause must (i) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (ii) if rated by Standard & Poor's Rating Services, must not have an "r" highlighter affixed to their rating, (iii) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (iv) such investments must not be subject to liquidation prior to their maturity;

(f) debt obligations rated by the Rating Agencies in their highest long-term unsecured rating category; provided, however, that the investments described in this clause must (i) have a predetermined fixed dollar of principal due at maturity that cannot vary or change, (ii) if rated by Standard & Poor's Rating Services, must not have an "r" highlighter affixed to their rating, (iii) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (iv) such investments must not be subject to liquidation prior to their maturity;

(g) commercial paper (including both non-interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than one year after the date of issuance thereof) that is rated by the Rating Agencies in their highest short-term unsecured debt rating; provided, however, that the investments described in this clause must (i) have a

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predetermined fixed dollar of principal due at maturity that cannot vary or change, (ii) if rated by Standard & Poor's Rating Services, must not have an "r" highlighter affixed to their rating, (iii) if such investments have a variable rate of interest, such interest rate must be tied to a single interest rate index plus a fixed spread (if any) and must move proportionately with that index, and (iv) such investments must not be subject to liquidation prior to their maturity;

(h) any other demand, money market or time deposit, or any other obligation, security or investment, that before the Securitization Closing Date may be acceptable to the Lender (as evidenced in writing) and, after the Securitization Closing Date, (A) the Rating Agencies have confirmed in writing would not result in a downgrade, withdrawal or qualification of the then-applicable ratings assigned to the securities issued in a Securitization and (B) such investment qualifies as a "cash flow investment" under Code Section 860(G)(a)(6);

provided, however, that no obligation or security shall be a Permitted Investment if (x) the right to receive principal and interest payments derived from the underlying investment provides a yield to maturity in excess of 120% of the yield to maturity at par of such underlying investment, or (y) such investments have a maturity in excess of one year.

8. The definition of "Rating Agencies" is hereby deleted and replaced in its entirety with the following:

"Rating Agencies" means Fitch Investors Service, Inc., Moody's Investors Service, Inc., Duff & Phelps Credit Rating Co. and Standard & Poor's Ratings Services, or any successor thereto, and any other nationally recognized statistical rating organization which may hereafter be engaged by Lender or its designees.

9. The definition of "Securitization" is hereby deleted and replaced in its entirety with the following:

"Securitization" means a transaction or series of transactions pursuant to which the Lender may securitize the Loan or portions thereof through the issuance of securities, which may be rated by the Rating Agencies.

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