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***This Document Prepared By And
When Recorded Return To:***

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Eugene "Gene" Moore Fee: \$44.50
Cook County Recorder of Deeds
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For Recorder's Use Only

**THIRD AMENDMENT TO BORROWING
BASE REVOLVING CREDIT AGREEMENT**

THIS AGREEMENT dated as of the 31st day of December, 2004, by and between ALIVIO MEDICAL CENTER, INC., an Illinois not-for-profit corporation ("**Borrower**"), and COLE TAYLOR BANK, an Illinois banking corporation ("**Lender**").

WITNESSETH

WHEREAS, on or about March 24, 2003, Lender made a loan to Borrower governed by the terms and provisions of the Borrowing Base Revolving Credit Agreement dated March 24, 2003 ("**Borrowing Base Agreement**"), pursuant to which Lender provided a secured revolving line of credit to Borrower in the amount of \$1,250,000.00 ("**Revolving Credit**");

WHEREAS, the Revolving Credit is evidenced by the Revolving Credit Note dated March 24, 2003 made by Borrower payable to Lender in the principal amount of \$1,250,000.00 ("**LOC Note**");

WHEREAS, the Revolving Credit is secured by a Security Agreement dated March 24, 2003, pursuant to which Borrower pledged to Lender a security interest in all personal property and accounts receivable of Borrower ("**LOC Security Agreement**");

WHEREAS, the Revolving Credit Agreement is further secured by the Mortgage, Security Agreement and Financing Statement dated March 24, 2003, recorded in the Cook County Recorder's Office, Cook County, Illinois, on April 1, 2003, as Document No. 0030439011 ("**LOC Mortgage**") from Borrower to Lender covering the vacant parcel of real estate located at Morgan Street, north of 21st Avenue, in Chicago, Illinois ("**Vacant Property**"), and legally described in Exhibit A attached hereto;

WHEREAS, the Revolving Credit Agreement is further secured by the following mortgages, pursuant to the terms and provisions of the Cross-Collateralization/Cross-Default Agreement dated March 24, 2003 executed by and between Borrower and Lender:

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(a) the Mortgage given by Borrower to Lender dated February 18, 1999, recorded in the Cook County Recorder's Office, Cook County, Illinois, on April 7, 1999 as Document No. 99332558 (the "**Western Mortgage**"), affecting the parcel of real property commonly known as 2355-59 South Western Avenue, Chicago, Illinois, as legally described on Exhibit "B" attached hereto (the "**Western Property**").

WHEREAS, the LOC Mortgage, the LOC Security Agreement, the Western Mortgage and all other documents securing the Revolving Credit are hereinafter jointly referred to as "**LOC Security Documents**";

WHEREAS, the Borrowing Base Revolving Credit Agreement was amended by the First Amendment to Borrowing Base Revolving Credit Agreement dated November 21, 2003 ("**First Amendment**");

WHEREAS, the Borrowing Base Revolving Credit Agreement was further amended by the Second Amendment to Borrowing Base Revolving Credit Agreement dated December 31, 2003, and recorded in the Office of the Recorder of Deeds of Cook County, Illinois, on August 9, 2004, as Document No. 0422239096, as supplemented by the First Addendum and Modification to Second Amendment to Borrowing Base Revolving Credit Agreement ("**Second Amendment**");

WHEREAS, pursuant to the Second Amendment, Borrower executed the Second Amended and Restated Revolving Credit Note dated December 31, 2003, in the principal amount of SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS (\$700,000.00) ("**Revolving Note**"), and the Term Note dated December 31, 2003, in the principal amount of ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00) (the "**Term Note**");

WHEREAS, the Term Note is further secured by the Second Mortgage covering the Medical Center Property dated May 15, 2004, and recorded in the Office of the Recorder of Deeds of Cook County, Illinois, on October 4, 2004, as Document No. 0427803103 ("**Second Mortgage**");

WHEREAS, pursuant to the Second Amendment, Borrower and Lender executed the First Amended Forbearance Agreement dated December 31, 2003 ("**Forbearance Agreement**");

WHEREAS, the Term Note and the Revolving Note matured as of December 31, 2004;

WHEREAS, there remains a principal balance due and owing on the Revolving Note in the amount of \$102,610.67;

WHEREAS, there remains a principal balance due and owing on the Term Note in the amount of \$518,000.00;

WHEREAS, Lender and Borrower have agreed to extend the Term Note and the Revolving Note, subject to the terms and provisions hereinafter set forth;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

UNOFFICIAL COPY**1. Extension of Term Note and Revolving Credit Note.**

(a) The maturity dates of the Term Note and the Revolving Credit Note shall be extended to March 31, 2005, subject to the following conditions:

(i) Borrower shall pay the sum of \$100,000.00 to Lender on or before January 20, 2004, which shall be applied to the principal balance due on the Term Note;

(ii) Borrower shall pay the sum of \$30,000.00 per month to Lender on the first (1st) day of each month, commencing January 1, 2005, which shall be applied to the principal balance due on the Term Note;

(iii) Borrower shall pay the sum of \$100,000.00 to Lender on or before March 31, 2005, which shall be applied to the principal balance of the Term Note; and

(iv) Borrower shall pay to Lender accrued interest on the Revolving Note, as billed by Lender each month, within ten (10) days after the date of billing.

(b) Provided that Borrower pays the total sum of \$190,000.00 toward the balance of the Term Note (including the payments required by subparagraphs (i) and (ii) above) on or before March 31, 2005, and complies with all of the other terms and provisions of this Third Amendment, the Revolving Note and the Term Note shall be extended to June 30, 2005, subject to the following conditions:

(i) Borrower shall pay the sum of \$30,000.00 per month to Lender on the first (1st) day of each month, commencing April 1, 2005, which shall be applied to the balance of principal and interest due on the Term Note.

(ii) Borrower shall pay to Lender accrued interest on the Revolving Note, as billed by Lender, each month within ten (10) days after the date of billing;

(iii) Borrower shall pay to Lender a non-refundable extension fee in the amount of \$5,000.00.

The entire remaining balances of principal and interest on the Term Note and the Revolving Note shall be immediately due and payable on June 30, 2005.

2. Covenant Compliance. On or before January 15, 2005, Borrower shall deliver to Lender cash flow projections in form and content acceptable to Lender. Provided that Borrower fully complies with the terms and provisions set forth in this Third Amendment, Lender shall waive compliance with the Financial covenants set forth in Section 5.c of the Borrowing Base Agreement, as supplemented and amended by the Second Amendment, during the term of this Third Amendment.

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3. **Attorneys' Fees and Costs.** Borrower shall pay any and all attorneys' fees and costs incurred by Lender and Lender's counsel in connection with the preparation, negotiation and enforcement of this Third Amendment.

4. **Reaffirmation of Loan Instruments.** Except as expressly herein provided, Borrower hereby reaffirms the terms and provisions of the Borrowing Base Agreement, LOC Security Documents, First Amendment, Second Amendment, Term Note, Revolving Note, Second Mortgage and all other documents executed in connection with any of the foregoing.

5. **Additional Miscellaneous Provisions.**

(a) *No Assignment.* The Borrower may not assign its rights or obligations under this Agreement without the prior written consent of the Lender. Any purported assignment by the Borrower in violation of the previous sentence shall be automatically deemed null and void. Subject to the foregoing, all provisions contained in this Agreement or any document or agreement referred to herein or relating hereto shall inure to the benefit of the Lender, its successors and assigns, and shall be binding upon the Borrower, its successors and assigns.

(b) *Amendment; No Waiver.* This Agreement may not be amended or terms or provisions hereof waived unless such amendment or waiver is in writing and signed by the Lender and the Borrower. It is expressly agreed and understood that the failure by the Lender to elect to accelerate amounts outstanding hereunder and/or to terminate the obligation of the Lender to make Loans hereunder shall not constitute an amendment or waiver of any term or provision of this Agreement or any other Loan Document. No delay or failure by the Lender to exercise any right, power, or remedy shall constitute a waiver thereof by the Lender, and no single or partial exercise by the Lender of any right, power, or remedy shall preclude other or further exercise thereof or any exercise of any other rights, powers, or remedies.

(c) *Release.* Borrower does hereby release Lender and its officers, directors, employees, agents, attorneys, personal representatives, successors, predecessors and assigns from all manner of actions, cause and causes of action, suits, debts, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands, whatsoever, in law or in equity, and particularly, without limiting the generality of the foregoing, in connection with the Loan Instruments and any agreements, documents and instruments relating to the Loan Instruments and the administration of the Loan Instruments, all indebtedness, obligations and liabilities of Borrower to Lender, and any agreements, documents and instruments relating to the Loan Instruments (collectively, the "**Claims**"), which Borrower now has against Lender, or ever had, or which might be asserted by its officers, directors, employees, agents, personal representatives, attorneys, successors, or assigns, based on any Claims which exist on or at any time prior to the date of this Agreement. Borrower expressly acknowledges and agrees that it has been advised by counsel in connection with this Agreement and that it understands that this Paragraph constitutes a general release of Lender and that it intends to be fully and legally bound by the same. Borrower further expressly acknowledges and agrees that this general release shall have full force and effect notwithstanding the occurrence of a Default pursuant to this Agreement.

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(d) *Non-Waiver.* Except as provided in this Agreement, this Agreement (A) does not in any manner constitute any waiver of either (i) any of Lender's rights, remedies or powers pursuant to (a) the loan documents described herein, (b) any other agreement, document or instrument by and between Borrower on the one hand, and Lender on the other hand, or given, transferred or assigned by Borrower to Lender, or (c) applicable law, or (ii) any default or event of default (howsoever such terms are defined) pursuant to the loan documents described herein, any agreement, instrument or document relating to or contemplated by this Agreement, and/or any guaranty of any of the indebtedness evidenced by the loan documents described herein; or (B) is not to be construed as an agreement by Lender to either forbear or allow cure periods at a later date not specifically provided for in this Agreement, any agreement, instrument or document relating to or contemplated by this Agreement or any other applicable agreement, document or instrument.

(e) *Cumulative Rights.* The rights, powers, and remedies of the Lender hereunder are cumulative and in addition to all rights, powers, and remedies provided under any and all agreements between the Borrower and the Lender relating hereto, at law, in equity or otherwise.

(f) *Entire Agreement.* This Agreement and the documents and agreements referred to herein embody the entire agreement and understanding between the parties hereto and supersede all prior agreements and understandings relating to the subject matter hereof and thereof.

(g) *Survival.* All representations, warranties, covenants, and agreements herein contained on the part of the Borrower shall survive the termination of this Agreement and shall be effective until the Obligations are paid and performed in full or longer as expressly provided herein.

(h) *Notices.* Any notice, demand or other communication required or permitted hereunder shall be in writing and shall be deemed to have been given if and when personally delivered, or on the second business day after being deposited in United States registered or certified mail, postage prepaid, and addressed to a party at its address set forth below:

IF TO LENDER:

COLE TAYLOR BANK
9550 West Higgins Road
Rosemont, Illinois 60018
Attn: Ms. Bryn E. Perna
Senior Vice President

WITH A COPY TO:

JONES & JACOBS
77 West. Washington Street
Suite 2100
Chicago, Illinois 60602
Attn: Richard C. Jones, Jr., Esq.

IF TO BORROWER:

ALIVIO MEDICAL CENTER, INC.
966 West 21st Street
Chicago, Illinois 60608

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Attn: Ms. Carmen Velasquez
Executive Director

WITH A COPY TO:

SEYFARTH SHAW
55 East Monroe Street
42nd Floor
Chicago, Illinois 60603
Attn: James A. Schraidt, Esq.

or to such other address as the party to receive such notice may have theretofore furnished to all other parties by notice in accordance herewith. Except as otherwise specifically required herein, no notice of the exercise of any right or option granted to Lender herein is required to be given.

(i) *Severability.* The illegality or unenforceability of any provision of this Agreement or any other Loan Document or any instrument or agreement required hereunder or thereunder shall not in any way affect or impair the legality or enforceability of the remaining provisions hereof or thereof.

(j) *No Third Parties Benefited.* This Agreement and the other Loan Documents are made and entered into for the sole protection and legal benefit of the Borrowers and the Lender, and their permitted successors and assigns, and no other Person shall be a direct or indirect legal beneficiary of, or have any direct or indirect cause of action or claim in connection with, this Agreement or any of the other Loan Documents. The Lender has no obligation to any Person not a party to this Agreement or other Loan Documents.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

ATTEST:

Dora Garcia
Name: Dora Garcia
Its: Associate Executive Director

ALVIO MEDICAL CENTER, INC., an Illinois not-for-profit corporation

By: Carmen Velasquez
Name: CARMEN VELASQUEZ
Its: EXECUTIVE DIRECTOR

COLE TAYLOR BANK, an Illinois banking corporation

By: Bryn E. Perna
Bryn E. Perna
Senior Vice President

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that CARMEN VELASQUEZ and DORA GARCIA, personally known to me to be the EXECUTIVE Director and ASSOCIATE Director respectively, of ALIVIO MEDICAL CENTER, INC., an Illinois not-for-profit corporation, and the same persons whose names are subscribed to the foregoing instrument as such CARMEN VELASQUEZ and DORA GARCIA, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 20 day of January, 2005.

OFFICIAL SEAL
MARTHA E LAGUNILLA
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. JUNE 21, 2005
Martha E Lagunilla
NOTARY PUBLIC

My Commission Expires:

June 21 2005

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that BRYN E. PERNA, personally known to me to be the Senior Vice President of COLE TAYLOR BANK, an Illinois banking corporation, and the same person whose name is subscribed to the foregoing instrument as such Senior Vice President, appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own free and voluntary act and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 20 day of January, 2005.

OFFICIAL SEAL
MARTHA E LAGUNILLA
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. JUNE 21, 2005

Martha E Lagunilla

NOTARY PUBLIC

My Commission Expires:

June 21 2005

Cook County Clerk's Office

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EXHIBIT A

LEGAL DESCRIPTION – VACANT LAND

BLOCK 18 (EXCEPT THE NORTH 120.8 FEET THEREOF AND EXCEPT THE SOUTH 220.80 FEET THEREOF) IN WALSH AND MCMULLIN'S SUBDIVISION OF THE SOUTH 3/4 OF THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: parcel vacant land on Morgan Street, north of 21st Street,
Chicago, Illinois

Permanent Index No.: 17-20-433-005-0000

Property of Cook County Clerk's Office

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EXHIBIT B

LEGAL DESCRIPTION – WESTERN PROPERTY

Parcel 1:

LOT 79 OF CHILD'S SUBDIVISION OF BLOCK 3 OF LAUGHTON'S SUBDIVISION BEING PART OF THE NORTHWEST 1/4 OF SECTION 30 TOWNSHIP 39 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

Common Address: 2359 S. Western Avenue
Chicago, Illinois

Permanent Index No.: 17-30-112-010

Parcel 2:

LOTS 73 TO 78 AND THE SOUTH 5.94 FEET OF LOT 72 OF CHILD'S SUBDIVISION OF BLOCK 3 OF LAUGHTON'S SUBDIVISION BEING PART OF THE NORTHWEST 1/4 OF SECTION 30 TOWNSHIP 39 NORTH RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

Common Address: 2355 S. Western Avenue
Chicago, Illinois

Permanent Index No.: 17-30-112-036

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EXHIBIT C

LEGAL DESCRIPTION – MEDICAL CENTER PROPERTY

THE SOUTH 220.80 FEET OF BLOCK 18 IN WALSH AND MCMULLIN'S SUBDIVISION OF THE SOUTH 3/4 OF THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 966 West 21st Street
Chicago, Illinois

Property Index No.: 17-20-433-006-0000

Property of Cook County Clerk's Office