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Doc#: 0715234083 Fee: \$88.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
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Pepper Pike, OH 44124
216-292-3300



Property of Cook County

MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING (the "Mortgage") dated as of 6/1/07, 2007, is executed and delivered by THE NEAR NORTH HEALTH SERVICE CORPORATION, an Illinois nonprofit corporation (the "Mortgagor" or "Borrower"), having its principal place of business at 1276 N. Clybourn, Chicago, IL 60610, to ALL POINTS PUBLIC FUNDING, LLC, a New York limited liability company (the "Mortgagee"), having its principal place of business at 275 Broadhollow Road, Melville, NY 11747, under the circumstances summarized in the following recitals:

A. On or about March 8, 2007, the Illinois Finance Authority ("Issuer") has issued and sold its Illinois Finance Authority Revenue Bond (The Near North Health Service Center Project), Series 2007 (as the same may be amended and modified, the "Bond") to Mortgagee, and Mortgagee has purchased said Bond. The Issuer has agreed to loan the proceeds of sale of said Bond to Mortgagor (the "Loan") for the purpose of refunding and refinancing certain Illinois Development Finance Authority Primary Health Care Centers Facilities Acquisition Program Revenue Bonds, Series 1996 (the "Series 1996 Bonds") on and subject to the terms and conditions contained in a Bond and Loan Agreement dated as of January 1, 2007 among Issuer, Mortgagor and Mortgagee (as the same may be amended and modified, the "Loan Agreement"). Issuer has assigned to Mortgagee certain rights under the Loan Agreement, including the right to receive payments from the Mortgagor in amounts sufficient to pay Issuer's obligations on the Bond, pursuant to assignment contained in the Loan Agreement. As a condition to its purchase of the Bond, Mortgagee has required the execution and delivery of this Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing (as the same may be amended and modified, the "Mortgage"), initially to the Escrow Trustee and subsequently to Mortgagee pursuant to the Escrow Agreement, to secure payment of the Mortgagor's Obligations (defined below) and the Issuer's obligations under the Bond.

B. It is intended that this Mortgage may secure unpaid balances of future advances that may be made after this Mortgage is delivered to the County Recorder of Cook County, Illinois,

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as provided in Section 5 hereof; the original principal amount of the indebtedness secured hereby is \$4,408,900.00.

NOW, THEREFORE, in consideration of the purchase of the Bond by Mortgagee and the loan of the proceeds thereof by Issuer to Mortgagor, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and for the purpose of securing Mortgagor's Obligations, the Mortgagor does hereby grant, bargain, sell, convey, mortgage, assign, grant a security interest in and transfer unto the Mortgagee, its successors and assigns, the following property (the "Mortgaged Property"):

(a) The land described in Exhibit A-1 attached hereto, (the "Clybourn Land"), together with all buildings, structures, additions, improvements, facilities and fixtures and other property, now or hereafter located in, upon or under or based at, such Clybourn Land (collectively the "Clybourn Premises");

(b) The land described in Exhibit A-2 attached hereto, (the "Berkeley Land"), together with all buildings, structures, parking areas and facilities, driveways, walks, outdoor lighting, utility facilities, additions, improvements, facilities and fixtures and other property, now or hereafter located in, upon or under or based at, such Berkeley Land (collectively the "Berkeley Premises");

(c) Mortgagor's leasehold interest in property known as 1014-24 E. 43rd St., Chicago, IL and described on Exhibit A-3 hereto (the "Leased Land") as created by the Berkeley Lease (as defined herein), together with all buildings, structures, additions, improvements, facilities and fixtures and other property, now or hereafter located in, upon or under or based at, the Leased Land (collectively the "Leased Premises"), (the Clybourn Premises, Berkeley Premises and Leased Premises are collectively referred to as the "Premises" and each of the foregoing is sometimes separately referred to herein as a "Parcel");

(d) All easements, rights of way or use, riparian, littoral, underground and other water rights, mineral rights, surface and air rights, licenses, privileges, franchises, servitudes, tenements, hereditaments and appurtenances now or hereafter belonging or in any way appertaining to any of the foregoing Premises, including, without limitation, all right, title and interest of the Mortgagor in any street, alley or sidewalk, open or proposed, and in front of, adjoining or adjacent or contiguous thereto, and all rights and estates in reversion and remainder;

(e) All leases, rentals, revenues, payments, repayments, income, charges, moneys, issues and profits of any of the foregoing Premises;

(f) The proceeds from any insurance or condemnation award pertaining to any of the foregoing Premises or compensation in lieu thereof, including but not limited to any award or compensation for the alteration of the grade of any street or any other injury to or decrease in the value of the Mortgaged Property or any part thereof or interest therein;

(g) All of Mortgagor's right, title, interest, estate, claim or demand, either at law or in equity, in and to all architectural, engineering and similar plans, specifications, drawings, renderings, profiles, studies, shop drawings, reports, plats, permits, surveys and the like, and all sewer taps, permits and allocations, agreements for utilities, bonds and sureties, relating to any of

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the Premises or the improvements or appurtenant facilities erected or to be erected upon or about any of the Clybourn Land, Berkeley Land or Leased Land;

(h) All proceeds of the conversion, voluntary or involuntary, of any of the foregoing Premises into cash or liquidated claims including, without limitation, the proceeds of insurance;

(i) All contracts and other agreements for the sale of any of the Mortgaged Property or any part thereof or interest therein now or hereafter entered into by Mortgagor, and all right, title and interest of Mortgagor thereunder, including, without limitation, all right, title and interest of Mortgagor in cash or securities deposited thereunder to secure performance by the contract purchasers of their obligations thereunder, and including, without limitation, the right to receive and collect the proceeds thereof;

(j) All of Mortgagor's rights, powers and privileges (but not the burdens and obligations) under any construction contract or architect's (or engineer's) agreement now or hereafter entered into by Mortgagor relating to the Mortgaged Property or any part thereof, and all bonds and surety agreements related thereto;

(k) To the extent assignable, all contracts and other agreements, if any, relating to the sale, lease, brokerage, development, management, maintenance and/or operation of the Mortgaged Property (or of any part thereof or interest therein) or otherwise pertaining thereto;

(l) All rights of Mortgagor under any commitment for any other loan secured by the Mortgaged Property or any part thereof or interest of Mortgagor therein;

(m) All right, title and interest of Mortgagor in all tradenames, trademarks and/or servicemarks hereinafter used in connection with the Mortgaged Property or any part thereof and all contract rights and contracts, general intangibles, actions and rights of action, deposits, prepaid expenses, permits, licenses owned by Mortgagor and used in connection with or related to the Mortgaged Property or any part thereof;

(n) All machinery, apparatus, equipment, fittings, fixtures and articles of personal property of every kind and nature whatsoever, other than consumable goods, now or hereafter located in or upon the Premises or any part thereof and owned by Mortgagor and used or useable in connection with any present or future operation of said Premises (herein collectively called "Equipment"), including, but without limiting the generality of the foregoing, air heating, lighting, laundry, incinerating, plumbing, lifting, cleaning, fire-prevention, fire-extinguishing, refrigerating, ventilating, communications, air-conditioning and air-cooling equipment or apparatus, engines, pipes, pumps, tanks, motors, conduits, switchboards, elevators, escalators, shades, awnings, screens, storm doors and windows, stoves, wall beds, refrigerators, attached cabinets, partitions, ducts and compressors, and all of the right, title and interest of the Mortgagor in and to any Equipment which may be subject to any conditional bill of sale, chattel mortgage or security interest superior to the lien or security interest established by this Mortgage;

(o) Any monies on deposit with or for the benefit of Mortgagee, including deposits for payment of real estate taxes, insurance premiums and any cash collateral account; and

(p) All proceeds, additions, replacements and substitutions of and to any of the foregoing.

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TO HAVE AND TO HOLD the Mortgaged Property unto the Mortgagee, its successors and assigns, forever;

AND, IT IS HEREBY COVENANTED that this Mortgage is granted and the Mortgaged Property is to be held upon and subject to the terms, provisions and conditions herein set forth.

Section 1. Representations and Warranties. The Mortgagor represents and warrants that, as of the date hereof:

(a) Title. (i) the Mortgagor is lawfully seized with good and marketable title in fee simple absolute to the Clybourn Premises and Berkeley Premises free and clear of all liens and encumbrances whatsoever, except taxes and assessments, general and special, not delinquent or which are being contested as and to the extent expressly permitted hereby, zoning ordinances. Liens being contested as and to the extent expressly permitted hereby, and those matters referenced on Exhibit B attached hereto as pertaining to each of said Parcels respectively (hereinafter all of the foregoing being collectively referred to as "Permitted Prior Encumbrances"), and has good and marketable title to all personal property included in the Mortgaged Property, subject only to the Permitted Prior Encumbrances; (ii) Mortgagor has a good and valid leasehold interest in the Leased Premises pursuant to Lease dated October 7, 1997 between the City of Chicago, as Landlord, and Mortgagor, as Tenant (as the same may be amended and modified, the "Berkeley Lease"), free and clear of all liens and encumbrances whatever, except Permitted Prior Encumbrances. (iii) Mortgagor has full right, power and authority to bargain, sell, mortgage and convey the Mortgaged Property as herein provided; and (iv) except as expressly provided above, Mortgagor will warrant and defend to the Mortgagee such title to the Mortgaged Property and the lien and interest of the Mortgagee therein and thereon against all claims and demands whatsoever and will maintain the priority of the lien of, and the security interest granted by, this Mortgage upon the Mortgaged Property until the Mortgagor shall be entitled to defeasance as provided herein.

(b) Validity of Loan Documents. The Loan Agreement, this Mortgage, an Assignment of Permits and Contracts of even date and corresponding UCC Financing Statements, and any and all other documents or instruments evidencing or securing the Loan (together the "Loan Documents") have been duly and validly authorized, executed and delivered and are in all respects the legal, valid, binding and enforceable obligations of Mortgagor, and any other obligors being parties thereto, in accordance with their respective terms, subject only to applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting the enforcement of creditors' rights generally.

(c) Conflicting Transactions. The execution and delivery by the Mortgagor (and any other obligor with respect thereto) of the Loan Documents and the consummation of the transactions contemplated thereby do not, and the performance of the obligations of the Mortgagor (or any other obligor with respect thereto) thereunder will not (a) conflict with or result in a violation or breach of or a default under (i) the organizational documents of Mortgagor (or any other such obligor), including without limitation the Articles of Incorporation or ByLaws of Mortgagor; (ii) any agreement, lease, mortgage, indenture, or other document or instrument to which Mortgagor (or any such obligor) is a party or by which Mortgagor (or any such obligor) or any of its property is bound; or (iii) any law, statute, ordinance, rule or regulation, or any writ,

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order, judgment or decree of any court or governmental agency to which Mortgagor (or any such other obligor) is a party or by which Mortgagor (or any such other obligor) or any of its property is bound; nor (b) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the properties or assets of Mortgagor (or any other such obligor)(other than the lien and security interests created by this Mortgage, the Assignment of Permits and Contracts, and the Financing Statements).

(d) Litigation. There are no actions, suits, restraining orders, injunctions, investigations, proceedings or inquiries at law or in equity, pending or threatened, by or before any judicial, quasi-judicial, legislative, executive or administrative court, agency or authority, or any arbitrator, nor any basis for any of the foregoing, wherein an unfavorable determination, ruling or finding would materially adversely affect the use, operation or value of any of the Mortgaged Property, the validity or enforceability of any of the Loan Documents, or any of the transactions contemplated thereby, or the business, financial condition or assets of Mortgagor.

(e) Financial Statements. The financial statements of Mortgagor and all other documents and information heretofore delivered to Mortgagee by or on behalf of Mortgagor, whether or not otherwise referenced in this Mortgage, are true, correct and complete in all material respects; all such financial statements heretofore delivered to Mortgagee by or on behalf of Mortgagor have been prepared in accordance with generally accepted accounting principles consistently applied, and fairly present the financial condition of the Mortgagor as of the respective dates thereof, and no material adverse change has occurred in the financial condition of Mortgagor reflected therein, and no additional borrowings have been made by Mortgagor since the date of the latest such financial statement of Mortgagor heretofore delivered to Mortgagee.

(f) Taxes. Mortgagor has filed all Federal, State, county and municipal income and other tax returns required to have been filed by it and has paid all taxes which have become due, whether pursuant to such returns or pursuant to any assessments received by it or otherwise; Mortgagor does not know of any basis for additional assessment in respect of such taxes, and the provisions for reserves for taxes on its books are adequate, in its reasonable opinion, and the opinion of its independent certified public accountants, for all unaudited fiscal years and its current fiscal period.

(g) Condition of Mortgaged Property. No portion of the Mortgaged Property is now damaged or injured as a result of any fire, explosion, accident, flood or other casualty, and there are no soil conditions which would interfere with the continued operation of any of the Premises as they are currently being operated or as contemplated by the Loan Documents, nor is any part of the Premises subject to any pending or threatened eminent domain or condemnation proceeding.

(h) Availability of Utilities. All utility services necessary for the operation of each Parcel of the Premises and the improvements thereon for their intended purposes and as they are currently being operated are available in appropriate and sufficient quantity and quality, including water supply, storm and sanitary sewer facilities, and natural gas, electric and telephone facilities, and Mortgagor has obtained all necessary permits, permissions, approvals, licenses and authorizations for unrestricted access to and use of such services and facilities in connection with the use and operation of each Parcel of the Premises and improvements thereon.

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(i) Access to Public Roadways. Each Parcel of the Premises has frontage upon and adequate permanent access to a paved and dedicated public road.

(j) Flood Hazard. None of the buildings, other structures, parking areas or other improvements on any Parcel are located in an area identified by the United States Department of Housing and Urban Development or any other governmental authority as having special flood hazards or defined as a "flood prone area" pursuant to the Flood Disaster Protection Act of 1973 or any other federal, state, county, municipal or other statute, law, ordinance or regulation.

(k) Mechanics Liens. No work or materials have been furnished to any Parcel of the Premises for which payment has not been made in full.

(l) Compliance with Law. The current and anticipated use and operation of each Parcel of the Mortgaged Property is permitted by all applicable building, environmental and zoning laws, statutes, regulations, resolutions and ordinances.

No Hazardous Materials of any kind or nature have been buried or accumulated, or are located in, on, under or about any part of any Parcel of the Premises, or in any building, improvement or structure thereon; no Parcel nor any part thereof is contaminated by any Hazardous Material; no Hazardous Material is or will be stored at or located in, on, under or about any Parcel which requires a permit from any governmental authority, or which requires that any part of any Parcel or any improvements thereon be modified or altered to accommodate such Hazardous Material or which would in any way materially limit the use or development of any part of any Parcel as contemplated by the Loan Documents; and no claims have been made against any present (or, to the best of Mortgagor's knowledge after due inquiry and investigation, any former) owner, occupant or user of any of the Premises relating to the use or storage at, or the location at, in, on or under any of the Premises of asbestos, toxin or any hazardous substance.

(m) Purposes of Loan. Mortgagor hereby represents and agrees that the proceeds on the indebtedness secured by this Mortgage and any future advances made by Mortgagee to Mortgagor and secured by this Mortgage and any future advances secured by this Mortgage will be used for "business purposes" as that term is defined in 815 ILCS 205/4(1)(c). The loan secured hereby is made for business, commercial, investment or other similar purposes and not for personal, consumer, family, household, educational, agricultural or other similar use, and such loan will not be used for personal, consumer, family, educational, household, agricultural or other similar use.

(n) No Default. No Event of Default (as hereinafter defined), or event which with notice or lapse of time or both would constitute such an Event of Default hereunder, has occurred and is continuing as of the date hereof.

(o) Material Information. All reports, financial statements, documents, information and data provided to Mortgagee by or with respect to Mortgagor or to others obligated under the terms of the Loan Documents, if any, and the information, representations and warranties of Mortgagor contained in the Loan Documents, are accurate, correct and complete in all material respects; none of such materials contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained therein or herein not misleading.

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There is no fact which Mortgagor has not disclosed to Mortgagee in writing which materially adversely affects or, so far as Mortgagor can now foresee, will materially adversely affect the business, prospects, profits or condition (financial or otherwise) of Mortgagor, any part of the Premises or the ability of Mortgagor or the ability of any other obligor to perform its obligations under any of the Loan Documents.

(p) Berkeley Lease. The copy of the Berkeley Lease heretofore delivered by Mortgagor to Mortgagee is true, correct and complete. There is no default, breach, violation or failure to perform by either party of any of its obligations under the Berkeley Lease, and the Berkeley Lease is in full force and effect. Mortgagor has paid all rent and other charges pursuant to the Berkeley Lease due and payable as of the date hereof.

Section 2. After-Acquired Property. All property of every kind acquired by the Mortgagor after the date hereof, and located at, on or under any part of the Premises, shall, without further mortgage, conveyance or assignment, become subject to the lien of this Mortgage as fully as though now owned by the Mortgagor and specifically described herein. Nevertheless, the Mortgagor shall promptly take such actions and execute and deliver such additional instruments as the Mortgagee shall reasonably require to further evidence or confirm the subjection to the lien of this Mortgage of any such property.

Section 3. Payment of Indebtedness. Mortgagor will pay the indebtedness secured hereby in the manner and at the times provided in the Loan Agreement, and, until the Mortgagor's Obligations are fully paid, will comply with all the covenants, terms and provisions contained herein, and in the loan commitment and Loan Documents (and any modification or amendments thereto).

Section 4. (Intentionally omitted.)

Section 5. Future Advance Mortgage. If, at any time prior to the payment in full of the indebtedness secured by this Mortgage, Mortgagee shall advance additional funds to or for the benefit of Mortgagor, such advance together with applicable interest thereon at the rate provided herein shall be secured by this Mortgage in accordance with all covenants, conditions and agreements herein contained and, to the extent permitted by law, shall be on a parity with and not subordinate to the indebtedness evidenced by the Bond, Loan Agreement and Loan Documents; provided, however, that the indebtedness secured by this Mortgage and from time to time remaining unpaid shall not, after including the amount of all such advances, exceed five (5) times the original principal indebtedness secured by this Mortgage.

Section 6. Hazardous Materials and Hazardous Materials Contamination. The Mortgagor shall keep and maintain the Mortgaged Property in compliance with all applicable Environmental Laws. The Mortgagor shall notify the Mortgagee immediately upon its acquiring knowledge of any Hazardous Materials Contamination upon any of the Mortgaged Property, with a full description thereof, and shall immediately provide the Mortgagee with a copy of any complaint, order, citation or notice from any Governmental Authority or any other Person alleging any Hazardous Materials Contamination or advising that it intends to commence an investigation or proceeding with respect to any alleged Hazardous Materials Contamination. The Mortgagor shall promptly comply with any and all Laws requiring the removal, treatment, remediation or disposal of any and all such Hazardous Materials Contamination and provide the

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Mortgagee, within 10 days after a demand by the Mortgagee, with a bond, letter of credit or similar financial assurance evidencing to the satisfaction of the Mortgagee in its sole discretion that the necessary funds are available to pay the cost of removing, treating, remediating and disposing of such Hazardous Materials Contamination and discharging any encumbrance which may be established on the Property as a result thereof. The Mortgagor further agrees to indemnify and hold harmless the Mortgagee and its members, directors, officers, partners, shareholders, agents and employees from and against any and all Claims which may now or in the future be asserted, paid or incurred as a result of any Hazardous Materials Contamination, provided that no person shall be entitled to indemnity pursuant hereto if such Hazardous Materials Contamination was caused by the gross negligence or willful misconduct of such person. The Mortgagor shall not place, manufacture or store, or permit to be placed, manufactured or stored, on any part of the Mortgaged Property any Hazardous Materials. In the event of a release into the environment or any adjoining or other property of Hazardous Materials emanating from any part of the Mortgaged Property (a "Release") the Mortgagor shall (a) promptly report the Release to the appropriate Governmental Authorities and to the Mortgagee, (b) in consultation with appropriate Governmental Authorities, identify the appropriate remedial measures in response to the Release, and (c) promptly implement in accordance with any plans, orders or approvals of any Governmental Authority such remedial measures as shall cause mitigation, retrieval and remediation of any and all effects upon the environment or other property resulting from the Release. This provision is in addition to and does not limit any other covenant, agreement or obligation of the Mortgagor, including without limitation any other indemnity or general obligation to comply with applicable Laws.

Without limitation of the Mortgagee's other rights under this Mortgage, the Mortgagee shall have the right, but not the obligation, to enter onto the Mortgaged Property or to take such other actions as it in its discretion deems necessary or advisable, with prior notice to the Mortgagor if no Event of Default has occurred and is continuing, and otherwise without notice, to clean up, remove, resolve, remediate or minimize the impact of, or otherwise deal with, any Hazardous Materials Contamination following receipt of any notice from any person (including without limitation the U.S. Environmental Protection Agency or the Governmental Authority in the State exercising corresponding responsibility for Environmental Laws) asserting the existence of any Hazardous Materials Contamination which, if true, could result in an order, suit, or other action against the Mortgagee and/or which, in the reasonable judgment of the Mortgagee, could have a Material Adverse Effect. All reasonable costs and expenses incurred by the Mortgagee in the exercise of any such rights shall be secured by this Mortgage and shall be payable by the Mortgagor upon demand, with interest thereon at the Default Rate from the time of payment thereof by the Mortgagee until paid in full.

If an Event of Default shall have occurred and be continuing, the Mortgagor, at the request of the Mortgagee and at the expense of the Mortgagor, shall cause to be provided to the Mortgagee within 30 days after such request, an environmental examination and audit of the Mortgaged Property by an environmental engineer or consultant and in form and meeting such criteria and conditions as the Mortgagee requires.

The provisions of this Section 6 shall survive payment in full of the Loan and Mortgagor's Obligations and any foreclosure or other enforcement of this Mortgage, except with respect to obligations which would arise under this Section 6 as a result of Hazardous Materials Contamination that commences after the Mortgagor no longer owns or occupies the Mortgaged Property or any part thereof.

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Section 7. Commercial Code and Financing Statements. This Mortgage constitutes a security agreement, and creates a security interest as to all or any part of the Mortgaged Property which is of a nature that a security interest therein can be perfected under the Uniform Commercial Code from time to time in effect in the State in which the Mortgaged Property is located. This Mortgage also constitutes a financing statement with respect to any and all property included in the Mortgaged Property which is or may become fixtures. The Mortgagee shall have all rights and remedies of a secured party under the Uniform Commercial Code of the State from time to time. Mortgagee is authorized to file in the appropriate public record all Financing Statements and continuations and amendments thereof and other instruments and documents in order to take advantage of the rights of a secured party under the Laws of the State, and Mortgagor will pay the cost thereof on demand. If at any time any of the information contained in any Financing Statement filed in connection with any security interest in any property of Mortgagor in order to secure Mortgagor's Obligations shall change in any manner that might impair the perfection of the security interest intended to be created thereby, the Mortgagor shall promptly prepare an amendment to such Financing Statement in such form and substance as may be necessary to continue the perfection of such security interest and cause the same to be filed in any office where such amendment is required to be filed to cause such security interest to continue to be perfected in favor of Mortgagee.

Section 8. Maintenance and Use of Mortgaged Property. The Mortgagor at its expense, shall keep the Mortgaged Property in good order and in a clean and safe condition (ordinary wear and tear excepted) and shall make all necessary or appropriate repairs, replacements and renewals thereof, interior, exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen. The Mortgagor will not do, or permit to be done, any act or thing which might impair the value or usefulness of the Mortgaged Property or any part thereof, will not commit or permit any waste of the Mortgaged Property or any part thereof, and will not permit any unlawful occupation, business or trade to be conducted on the Mortgaged Property or any part thereof, will not permit any activity or condition to occur that would materially increase the cost of insurance of any Parcel, or that would constitute a nuisance at any Parcel. The Mortgagor shall also, at its expense, promptly comply with all rights of way, privileges, franchises, servitudes, licenses, easements, tenements, covenants, hereditaments and appurtenances being a part of, or burdening, the Mortgaged Property or any part thereof. The Mortgagor shall not initiate, grant, join in, release, or agree or consent to any change in any restrictive covenant, easement, license, right of way (including the dedication of any public roadway) or any other public or private restriction limiting or defining the uses which may be made of any part of the Mortgaged Property without the prior written consent of the Mortgagee.

Section 9. Compliance with Legal and Insurance Requirements. The Mortgagor, at its expense, shall promptly comply with all Legal Requirements and Insurance Requirements, and shall procure, maintain and comply with all permits, licenses, and other authorizations required for the construction, installation, operation, maintenance and use of the Mortgaged Property or any part thereof. As used in this Section, "Legal Requirements" means all Laws, statutes, codes, acts, ordinances, resolutions, orders, judgments, decrees, injunctions, rules, regulations, permits, licenses, authorizations, directions and requirements of all governmental entities, departments, commissions, boards, courts, authorities, agencies, officials and officers, foreseen and unforeseen, ordinary or extraordinary, which now or at any time hereafter may be applicable to

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the Mortgaged Property or any part thereof, or any use or condition of the Mortgaged Property or any part thereof, and "Insurance Requirements" means all provisions of any insurance policy covering or applicable to the Mortgaged Property or any part thereof, all requirements of the issuer of any such policy, and all orders, rules, regulations and other requirements of the National Board of Fire Underwriters (or any other body exercising similar functions) applicable to or affecting the Mortgaged Property or any part thereof, or any use or condition thereof. The Mortgagor may, at its expense and after prior written notice to the Mortgagee, contest in good faith by appropriate legal proceedings any Legal Requirement and postpone compliance therewith pending the resolution or settlement of such contest provided that (i) such postponement does not, in the reasonable opinion of the Mortgagee, adversely affect the condition, or value of, or the lien of this Mortgage as to, any part of the Mortgaged Property, and (ii) the Mortgagor shall deposit in escrow with the Mortgagee pending such contest moneys sufficient in amount to cover the cost of compliance of any Legal Requirement so contested.

Section 10. Alterations, Additions and Demolition. The Mortgagor may, at its expense, make from time to time any additions, modifications or improvements to the Mortgaged Property provided that no additions, modifications or improvements involving an expenditure in excess of \$500,000.00 in the aggregate shall be made without the prior written consent of the Mortgagee, and further provided that the proposed work shall not adversely affect the structural integrity or strength of any improvements constituting a part of the Mortgaged Property or materially interfere with the use and operation thereof. If so requested, Mortgagor shall submit to the Mortgagee the opinion of a licensed engineer satisfactory to Mortgagee. All additions, modifications and improvements so made by the Mortgagor shall become or be deemed to constitute a part of the Mortgaged Property. No building or improvements or any part thereof may be removed or demolished without the prior written consent of the Mortgagee.

Section 11. Substitutions and Removals. If any item of personal property constituting a part of the Mortgaged Property becomes inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary or should be replaced, the Mortgagor may remove such item provided that the Mortgagor shall either:

(a) prior to or simultaneously with such removal, substitute and install as part of the Mortgaged Property having equal or greater value (but not necessarily the same function) in the operation of the Mortgaged Property, which such substituted property shall be free from all liens and encumbrances (other than Permitted Prior Encumbrances) and shall become part of the Mortgaged Property; or

(b) in the case of removal of property without substitution, promptly pay to the Mortgagee an amount equal to (i) the proceeds of such sale or the scrap value thereof, if the removed property is sold or scrapped, or (ii) if the removed property is used as a trade-in for property not to be installed as part of the Mortgaged Property, the trade-in credit received by the Mortgagor, or (iii) in the case of the retention of such removed property by the Mortgagor for other purposes, the fair market value of such property, as determined by a licensed engineer satisfactory to Mortgagee.

The Mortgagor shall promptly report to the Mortgagee each such removal, sale or other disposition and shall pay to the Mortgagee such amounts as are required by the provisions of the

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preceding subsection (b) of this Section promptly after the sale, trade-in or other disposition requiring such payment; provided that no such report and payment need be made until the amount to be paid to the Mortgagee on account of all such sales, trade-ins or other dispositions not previously reported aggregates at least \$25,000.00 in any consecutive twelve-month period. The Mortgagee shall apply such moneys to the payment of principal installments on the Bond as provided therein.

Section 12. Payment of Taxes and Other Governmental Charges. The Mortgagor shall pay promptly when due all taxes, assessments (whether general or special), and other governmental charges of any kind whatsoever, foreseen or unforeseen, ordinary or extraordinary, that now or may at any time hereafter be imposed, assessed or levied against or with respect to the Mortgaged Property or any part thereof, (including, without limitation, any taxes levied upon or with respect to the revenues, income or profits of the Mortgagor from the Mortgaged Property) or upon the Mortgagee's interest therein (without regard to any law heretofore or hereafter enacted imposing payment of the whole or any part thereof upon the Mortgagee). Within five (5) business days after receipt of evidence of payment of real estate taxes or assessments relating to the Mortgaged Property, and in any case not more than thirty (30) days after the same were due and payable, Mortgagor shall deliver to Mortgagee evidence of such payment in form and substance satisfactory to Mortgagee.

The Mortgagor may, at its expense and after prior notice to the Mortgagee, by appropriate proceedings diligently prosecuted, contest in good faith the validity or amount of any such taxes, assessments and other charges and, during the period of such contest, permit the items so contested to remain unpaid. However, if at any time the Mortgagee shall notify the Mortgagor that, in its reasonable opinion, by nonpayment of any such items the lien of the Mortgage as to any part of the Mortgaged Property will be adversely affected, the Mortgagor shall promptly pay such taxes, assessments or charges. During the period when the taxes, assessments or other charges so contested remain unpaid, the Mortgagor shall deposit in escrow with the Mortgagee (or such escrow agent as Mortgagee shall designate) moneys equal in amount to the amount of such contested taxes, assessments or charges.

Section 13. Required Insurance Coverage.

(a) The Mortgagor shall keep the buildings, improvements and Equipment constituting the Mortgaged Property continuously insured for the benefit of the Mortgagee against loss or damage by fire and other hazards included in a standard fire insurance policy with extended coverage endorsement, including vandalism and malicious mischief coverage and such other coverage as Mortgagee may reasonably require, duly endorsed to show the interest of the Mortgagee under a standard non-contributing mortgagee clause, in an amount equal to the greater of (i) 100% of the then replacement value of the Mortgaged Property (excluding such amounts as are not insured by standard fire insurance policies, such as excavations, underground foundations, piping, underground utilities, footings below ground level and architect's fees relating to repair or restoration resulting from damage covered by such insurance), with an inflation rider, or (ii) the sum of the then total unpaid principal balance of the Bond outstanding plus interest for the next succeeding twelve month period; but in no event shall the amount of such insurance be less than that required to avoid co-insurance. The loss deductible provision for any such insurance shall not exceed \$5,000.00. At the date hereof, the minimum amount of such

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insurance for the Clybourn Premises is \$5,200,000, and the minimum amount of such insurance for the Berkeley Premises is \$8,250,000.

(b) If at any time, more than 25% of the building on the Clybourn Land or 25% of the building on the Berkeley Land is leased, the Mortgagor shall also keep the applicable Parcel continuously insured for the benefit of the Mortgagor and the Mortgagee, as their interests may appear, with Loss of Rents coverage in an amount of not less than the aggregate amount of all rents due pursuant to all such leases affecting said Parcel and for a period of not less than nine (9) months.

(c) The Mortgagor shall obtain and continuously maintain single limit comprehensive general accident and public liability insurance in minimum amounts of \$5,000,000, with a loss deductible clause not to exceed \$5,000, and naming the Mortgagee as an additional named insured, and the Mortgagee may, in its discretion, require such increases in coverage as it deems necessary or advisable as a result of the operations conducted by the Mortgagor on the Mortgaged Property and/or the insurance coverage carried by other entities conducting similar operations.

(d) All insurance required to be obtained and maintained pursuant to this Mortgage shall be obtained from generally recognized, responsible insurance companies qualified or licensed to transact such business in the State in which the Mortgaged Property is located, be rated by Best's not less than A-X and otherwise satisfactory to the Mortgagee. Each policy of insurance shall not be subject to cancellation or substantial modification without at least thirty (30) days prior written notice to the Mortgagee.

(e) Mortgagor shall deposit with the Mortgagee all such policies of insurance or, at the option of the Mortgagee, binders, certificates or other evidence reasonably satisfactory to the Mortgagee that (i) the insurance required hereby has been obtained and is in full force and effect, and (ii) all premiums thereon have been paid in full. Not less than 15 days prior to the expiration of any such insurance, the Mortgagor shall furnish the Mortgagee with evidence satisfactory to the Mortgagee that such insurance has been renewed or replaced and that all premiums thereon have been paid in full, and all insurance policies required hereby are in full force and effect.

(f) Subject to Section 18, Mortgagor hereby assigns to the Mortgagee all of the Mortgagor's right, title and interest in and to all such policies of insurance and in and to any insurance proceeds resulting therefrom to the full extent of the indebtedness secured hereby, authorizes the Mortgagee to collect, adjust and compromise any claims under any such insurance policies and authorizes and directs the insurer to pay any and all such proceeds directly to the Mortgagee. In the event of a foreclosure of this Mortgage, the purchaser of any or all of the Mortgaged Property shall succeed to all the rights of the Mortgagor (including any right to unearned premiums) in and to all policies of insurance assigned to the Mortgagee pursuant hereto and related to such Mortgaged Property so purchased.

(g) Mortgagor shall maintain or cause to be maintained in connection with the Mortgaged Property any and all workers' compensation coverage required by the laws of the State in which the Mortgaged Property is located. If the Mortgaged Property is used for (1) manufacturing purposes, or (2) any purpose involving the use of machinery, mobile or production equipment,

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tank storage, or the production of any gases, chemicals, or any use other than general office, apartment living or storage purposes only, Mortgagor shall also maintain liability insurance coverage to insure against any liability risks not covered by workers' compensation coverage.

Section 14. Taxes and Insurance Premium Payments. In order to more fully protect the security of this Mortgage, if the Mortgagee shall so elect at any time after the occurrence of an Event of Default or an event which with notice or lapse of time or both would constitute an Event of Default, Mortgagor shall pay to Mortgagee, together with and in addition to each payment of principal and interest required by the Loan Agreement, one-twelfth (1/12th) of the amount (as estimated by the Mortgagee) of the annual taxes and annual insurance premiums next becoming due and payable with respect to the Mortgaged Property and the policies of insurance required to be maintained by Mortgagor pursuant to this Mortgage, and Mortgagor shall also pay to the Mortgagee on demand therefor the amount by which the actual taxes and insurance premiums exceed payments actually made pursuant hereto. Any unpaid balance of advances by Mortgagee for taxes and/or insurance premiums shall bear interest at the Default Rate (as hereinafter defined) and, together with such interest, shall be secured by this Mortgage. The Mortgagee shall not be considered to be a fiduciary with respect to any amounts paid to or received by it pursuant to the terms of this Section and shall not be liable for the payment of interest on all or any part of such funds.

Section 15. Disposition of Mortgaged Property; Liens and Encumbrances. Except as otherwise expressly permitted by Sections 11 and 19 of this Mortgage, the Mortgagor shall not sell, convey, assign, transfer, lease, or dispose of all or any part of the Mortgaged Property, or any interest therein, or enter into any agreement for any of the foregoing, in each case without the prior written consent of the Mortgagee. The Mortgagor shall not directly or indirectly create or permit to remain, and will promptly discharge, any mortgage, lien, encumbrance or charge on, pledge of, security interest in or conditional sale or other title retention agreement with respect to all or any part of the Mortgaged Property, or any interest therein, or any revenues, income or profit or other sums arising from the Mortgaged Property or any part thereof (including, without limitation, any lien, encumbrance or charge as a result of operation of law) other than: (i) the lien and security interest of this Mortgage; and (ii) Permitted Prior Encumbrances, if any.

Section 16. Mechanics' and Other Liens. The Mortgagor shall not permit any mechanics' or other liens to be filed or to exist against the Mortgaged Property or any part thereof, and the Mortgagor shall, within sixty (60) days after notice of the filing of any such lien, cause the same to be discharged of record by payment, deposit, bond, order of a Court of competent jurisdiction or otherwise, or insured against by title insurance satisfactory in form and substance to Mortgagee

Section 17. No Claims Against Mortgagee. Nothing contained in this Mortgage shall be construed as a request by the Mortgagee, expressed or implied, for the performance of any labor or services or the furnishing of any materials or other property with respect to the Mortgaged Property or any part thereof, or be construed to give the Mortgagor any right, power or authority to contract for or permit the performance of any labor or services or the furnishing of any material or other property on behalf of Mortgagee, or in such manner as to provide the basis for any claim either against the Mortgagee or that any lien based on the performance of such labor or

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services or the furnishing of any such material or other property is prior to the lien of this Mortgage.

Section 18. Damage, Destruction, Eminent Domain.

(a) Mortgagor shall promptly notify Mortgagee in writing of any damage to or destruction of any part of the Mortgaged Property if the estimated cost of repair exceeds \$500,000, including a description of the nature, extent and date of the damage, the estimated cost of repair, and estimated net proceeds of insurance. Mortgagor shall promptly notify Mortgagee in writing of any proposed, threatened or actual taking or injury to any part of the Mortgaged Property pursuant to use of the power of eminent domain if the Condemnation Award is reasonably expected to exceed \$500,000, including a description of the nature, extent and date of the taking or proposed taking and the estimated net proceeds of the Condemnation Award, or price for conveyance under threat of condemnation.

(b) Mortgagor hereby assigns to Mortgagee all of Mortgagor's right, title and interest in and to any and all such proceeds of insurance and/or Condemnation Awards, and all such proceeds shall be paid to Mortgagee for application to the Mortgagee's costs of collection, then to Mortgagor's Obligations, and then to the prepayment of principal on the Bond as provided therein; provided, however, that, subject to paragraph (c) below, and so long as no Event of Default, or event which with notice or lapse of time or both would constitute an Event of Default, has occurred, Mortgagee shall permit all or any part of such insurance proceeds or Condemnation Award to be used for the purpose of repairing, replacing, restoring and rebuilding the Mortgaged Property as nearly as practicable to the value, condition and character thereof immediately prior to such damage, destruction or condemnation, with such changes or alterations, however, as the Mortgagor may deem necessary for proper use or operation of the Mortgaged Property and as may be approved by the Mortgagee, in accordance with Section 18(e) hereof, provided further that, if the estimated cost of repair, replacement, restoration and rebuilding exceeds \$500,000, Mortgagor shall not settle or compromise any claim in connection therewith without the prior written consent of Mortgagee; if an Event of Default, or event which with notice or lapse of time or both, has occurred and is continuing, Mortgagee may at its sole option exercise full rights as absolute assignee of such insurance proceeds and Condemnation Awards and may control the processing, compromise, settlement and pursuit of all such claims in its sole discretion, all at Mortgagor's expense, and may control, disburse and apply all such insurance proceeds and Condemnation awards in its sole discretion.

(c) If (i) any building being part of the Mortgaged Property is damaged or destroyed to such an extent that (y) it cannot be reasonably repaired, replaced or restored within a period of six (6) months to the condition thereof immediately preceding such damage or destruction, or (z) its normal use and operation is prevented for a period of six (6) months, or (ii) title to, or the temporary use of a significant portion of any Parcel of the Mortgaged Property shall have been taken to such an extent that (v) such Parcel of the Mortgaged Property cannot be reasonably repaired, replaced or restored within a period of six (6) months to a condition not substantially different from that existing prior to such taking, or (w) normal use and operation of any Parcel of the Mortgaged Property is prevented for a period of six (6) months, then, in any of such events, Mortgagee may at its sole option, and within thirty (30) days after receiving notice of any such events, declare the entire indebtedness secured hereby to be due and payable, on a date not

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earlier than thirty (30) days after the date of such declaration, and thereupon the entire amount of said indebtedness shall be due and payable on such date, and shall thereafter bear interest at the Default Rate (as hereinafter defined) and shall be applied to redemption of the Bond as provided therein and to satisfaction of Mortgagor's Obligations, provided that Mortgagee may not exercise such option until not earlier than 12 months after such Damage or Condemnation if and for so long as Mortgagee has received evidence satisfactory to it of the existence of the Net Proceeds of business interruption insurance (expressly excluding regular hazard or casualty insurance proceeds) payable to Borrower to such extent that such Damage or Condemnation will not materially adversely affect the Borrower's net unrestricted revenues, including such Net Proceeds.

(d) All prepayments of principal pursuant to paragraph (b) of this Section shall be applied to redemption of the Bond as provided therein and to Borrower's Obligations.

(e) Unless any damage or destruction results in the exercise by Mortgagee of its option pursuant to paragraph (c) of this Section, Mortgagor shall, regardless of the availability of insurance proceeds, if any, promptly commence and complete the restoration, repair, replacement and rebuilding of the Mortgaged Property as nearly as practicable to the value, condition and character thereof immediately prior to such damage or destruction. Unless any Condemnation results in the exercise by Mortgagee of its option pursuant to paragraph (c) of this Section, Mortgagor shall, regardless of the adequacy or availability of any Condemnation Award, promptly commence and complete the restoration, repair, replacement and rebuilding of the Mortgaged Property as nearly as practicable to the value, condition and character thereof immediately prior to such taking. If no Event of Default or event which with notice or lapse of time or both would constitute an Event of Default has occurred, and Mortgagee has agreed to all make any insurance proceeds or Condemnation Award available for any such repair or restoration, Mortgagee shall cause such funds to be disbursed as work progresses in accordance with and subject to such terms, conditions and procedures as Mortgagee deems necessary, reasonable or appropriate, provided that Mortgagee may require Mortgagor either to deposit with Mortgagee (or an agent designated by Mortgagee), for disbursement prior to the disbursement of any such insurance proceeds or Condemnation Award, the amount in addition to such available net proceeds of insurance Condemnation Award that will be required (in Mortgagee's judgment) to complete such repair or restoration, or to provide Mortgagee with evidence satisfactory to Mortgagee that such additional funds are available for such purposes.

Section 19. Leases. The Mortgagor shall not enter into any lease of all or any part of the Mortgaged Property (each being referred to as a "Lease") except with the prior written consent of the Mortgagee and pursuant to lease terms in form and substance satisfactory to the Mortgagee. Unless otherwise provided by written instrument signed by the Mortgagee, any and all Leases (other than Permitted Prior Encumbrances listed on Exhibit B hereto, if any) shall be subordinated to this Mortgage. This Mortgage constitutes an absolute and present assignment of all rentals, income and other revenues payable under or derived from any and all Leases, subject only to the conditional license granted by the Mortgagee to the Mortgagor to collect such rentals, income and revenues during such times as no Event of Default shall have occurred hereunder.

The Mortgagor will perform, fulfill, comply with and observe each and every covenant, agreement and condition to be performed, fulfilled, complied with and observed by the

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Mortgagor as lessor under the Leases, and will not suffer or permit any default of the Mortgagor as lessor thereunder to occur (except defaults which are duly cured within the time provided in the Leases for the curing thereof).

The Mortgagor shall not, and shall not have the right or power to, as against the Mortgagee without its consent, cancel, terminate, abridge or modify any Lease, accept a surrender thereof or accept prepayments of installments of rent or other sums due or to become due thereunder.

Section 20. Inspection. Mortgagee, its agents and employees shall have the right to enter upon and inspect the Mortgaged Property at any and all reasonable times for the protection of its interest in the Mortgaged Property and for such other purposes as may in Mortgagee's sole discretion be necessary or desirable.

The Mortgagor will keep and maintain full and accurate records and books in accordance with generally accepted accounting principles, consistently applied, showing in detail the earnings and expenses of the Mortgaged Property and the operation thereof, and shall permit the Mortgagee or any person or persons authorized by Mortgagee, to inspect and examine all books and records of the Mortgagor and to make copies and extracts therefrom or thereof at any and all reasonable times and as often as may be reasonably requested by Mortgagee, at the office of the Mortgagor or at any other mutually acceptable location.

Section 21. Financial Statements. Mortgagor will deliver to Mortgagee, within one hundred eighty (180) days after the end of each of Mortgagor's fiscal years, annual financial statements for such fiscal year consisting of a balance sheet of the Mortgagor and an income and expense statement for the Mortgagor, which financial statements shall be certified by an independent certified public accountant as having been prepared in accordance with generally accepted accounting principles consistently applied.

Section 22. Indemnification. The Mortgagor will protect, indemnify and save harmless the Mortgagee, its members, officers, directors, agents and employees, from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including without limitation, reasonable attorneys' fees and expenses) imposed upon, incurred by or asserted against the Mortgagee or any of such persons by reason of (a) ownership of any interest in the Mortgaged Property or any part thereof, (b) any accident, injury to or death of persons or loss of or damage to property occurring on or about the Mortgaged Property or any part thereof or the adjoining sidewalks, curbs, vaults and vault space, if any, streets or ways, (c) any use, disuse or condition of the Mortgaged Property or any part thereof, or the adjoining sidewalks, curbs, vaults and vault space, if any, or any streets or ways, (d) any failure on the part of the Mortgagor to perform or comply with any of the terms hereof or any inaccuracy in any representation or warranty made by Mortgagor herein, (e) any necessity to defend any of the right, title or interest conveyed by this Mortgage, (f) the performance of any labor or services or the furnishing of any materials or other property in respect of the Mortgaged Property or any part thereof, (g) any subsidence or erosion of any part of the surface of the Mortgaged Premises, including any shoreline or any bank of any river, stream, creek, lake, ocean or other water source, or (h) the location or existence of asbestos or any toxic or hazardous waste, chemicals, materials or substance on, at, in or under the Mortgaged Property or any part thereof. If any action, suit or proceeding is brought against the Mortgagee, or any of its officers, directors,

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agents or employees, for any such reason, the Mortgagor, upon the request of such person, will, at the Mortgagor's expense, cause such action, suit or proceeding to be resisted and defended by counsel reasonably satisfactory to the Mortgagee or such person. Any amounts payable to an indemnified party under this Section which are not paid within ten (10) days after written demand therefor shall bear interest at the Default Rate from the date of such demand, and such amounts, together with such interest, shall be indebtedness secured by this Mortgage. The obligations of the Mortgagor under this Section shall survive any defeasance of the Mortgage.

Section 23. Events of Default. Any one or more of the following events shall be an "Event of Default" under this Mortgage:

(a) Failure by the Mortgagor to pay any installment of principal, interest or premium or other amount in accordance with Loan Agreement or any other indebtedness secured hereby as and when the same becomes due and payable, or the occurrence of any other Event of Default as defined in the Loan Agreement;

(b) Any representation or warranty of Mortgagor was false or misleading in any material respect when made;

(c) Any breach, violation, default or failure to perform by Mortgagor of any of Sections 13, 15 or 16 hereof, or any obligation in any Loan Document that is intentional or not capable of being cured within 90 days;

(d) Failure by the Mortgagor to observe or perform any other term, covenant or agreement contained herein, or in any other Loan Document or any other instrument held by Mortgagee as security for the Loan Agreement; provided, however, that if the failure is other than the payment of money or maintenance of insurance, is not intentional or grossly negligent on the part of the Mortgagor, does not involve a breach of Sections 13, 15 or 16 of this Mortgage, and does not constitute an emergency in the sole opinion of Mortgagee, such failure shall not constitute an Event of Default if: (i) Mortgagor institutes curative action and pursues such action to completion within thirty (30) days after written notice of such failure has been given to Mortgagor by Mortgagee; or (ii) the failure is of such a nature that it can be corrected, but not within thirty (30) days after written notice thereof has been given to Mortgagor by Mortgagee and Mortgagor has within the aforesaid thirty (30) days instituted curative action and diligently and continuously pursues such action to completion, and the same is completed to Mortgagee's satisfaction within ninety (90) days after such notice;

(e) The Mortgagor shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) commence a proceeding under any Federal or state bankruptcy, insolvency, reorganization, moratorium or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for sixty (60) days; (iii) make an assignment for the benefit of its creditors; or (iv) have a receiver or trustee appointed for it or for the whole or any substantial part of its property or for all or any part of the Mortgaged Property;

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(f) Failure by the Mortgagor to pay any indebtedness or to observe or perform any terms, covenants or provisions contained in any other note, mortgage, agreement or other obligation to Mortgagee;

(g) The Mortgagor shall cease to exist or to be qualified to do or transact business in the State in which the Mortgaged Property is located or be dissolved or shall be a party to a merger or consolidation, shall issue stock of any type or series (if a corporation), or, without the prior written consent of Mortgagee in its sole discretion, shall sell all or substantially all of its assets;

(h) If Mortgagor is a corporation, any shares of stock or equity interest in Mortgagor are issued, sold, transferred, conveyed, assigned, mortgaged, pledged, or otherwise disposed of, whether voluntarily or by operation of law, and whether with or without consideration, or any agreement for any of the foregoing is entered into, executed or delivered;

(i) If any statement or representation contained in any financial statements or other materials furnished to Mortgagee in connection with the Mortgagee's purchase or holding of the Bond or the loan of the proceeds thereof to Mortgagor were in some material respect false or incorrect or incomplete;

(j) An action for foreclosure or marshalling of liens is commenced against all or any part of the Mortgaged Property;

(k) A default or Event of Default occurs under any other mortgage or security agreement encumbering all or any part of the Mortgaged Property, or the Mortgagee receives any notice which limits or may limit the amount of indebtedness that may be secured by this Mortgage;

(l) Any term or provision of this Mortgage is determined by a final, nonappealable decision of a court of competent jurisdiction to be illegal, invalid, or unenforceable and such illegality, invalidity or unenforceability would have a Material Adverse Effect; or

(m) Any breach violation or default by Mortgagor under or with respect to the Berkeley Lease which is not cured within any time permitted for such cure as provided in the Berkeley Lease, if any, or the termination of the Berkeley Lease, unless the Mortgagor has then acquired and subjected to this Mortgage other property sufficient to cause the Berkeley Premises to satisfy all then applicable Laws relating to zoning and/or parking requirements.

Section 24. Right to Cure. If the Mortgagor fails to make any payment or perform any act required to be made or performed in or under this Mortgage, the Mortgagee, without demand upon the Mortgagor and without waiving or releasing any obligation or default, may (but shall be under no obligation to) make such payment or perform such act for the account and at the expense of the Mortgagor and may enter upon the Mortgaged Property or any part thereof for such purpose and take all such action thereon as, in its sole opinion, may be necessary or appropriate therefor, all without prejudice to any other rights or remedies available to Mortgagee. All payments so made by the Mortgagee and all costs, fees and expenses incurred in connection therewith or in connection with the performance by the Mortgagee of any such act, together with interest thereon at the Default Rate (as hereinafter defined) from the date of payment or incurrence until paid in full, shall constitute additional indebtedness secured by this Mortgage and shall be paid by the Mortgagor to the Mortgagee on demand.

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Section 25. Remedies. If an Event of Default shall have occurred, the Mortgagee may exercise any or all or any combination of the remedies conferred upon or reserved to it under this Mortgage or any instrument collateral thereto, or now or hereafter existing at law or in equity or by statute. Without limitation, the Mortgagee may (i) declare the entire unpaid principal balance of the indebtedness secured hereby to be immediately due and payable, without notice or demand, the same being expressly waived by the Mortgagor, and upon such declaration the entire indebtedness secured hereby shall become immediately due and payable and shall thereafter bear interest at a rate equal to two percent (2%) per annum in excess of the rate that would otherwise be applicable pursuant to the terms of the Bond (the "Default Rate"); (ii) proceed at law or equity to collect all indebtedness secured by this Mortgage then due hereunder, whether at maturity or by acceleration; (iii) foreclose the lien of this Mortgage as against all or any part of the Mortgaged Property, and may cause the Mortgaged Property to be sold separately or as a whole, in such order and manner as Mortgagee in its sole discretion may elect; and (iv) exercise any rights, powers and remedies it may have as a secured party under the Uniform Commercial Code of the State including, without limitation, the option of proceeding as to both personal property and fixtures in accordance with the Mortgagee's rights with respect to real property.

Section 26. Waiver of Appraisal, Valuation. The Mortgagor hereby waives, to the full extent that it may lawfully do so, the benefit of all appraisal, valuation, stay and extension laws now or hereafter in force and all rights of marshalling of assets in the event of any sale of the Mortgaged Property, any part thereof or any interest therein, and any court having jurisdiction to foreclose the lien hereof may sell the Mortgaged Property (real or personal, or both) as an entirety or in such parcels, lots, manner or order as the Mortgagee in its sole discretion may elect.

Section 27. Appointment of Receiver. If an Event of Default occurs, the Mortgagee shall be entitled, to the extent permitted by law, as a matter of right and without regard to the condition or value of the Mortgaged Property or the adequacy thereof as security and by ex parte proceedings without notice to the Mortgagor, to the appointment of a receiver for all or any part of the Mortgaged Property, whether such receivership is incidental to a proposed sale of the Mortgaged Property or otherwise. The Mortgagor hereby consents to the appointment of such receiver and covenants not to oppose any such appointment.

Section 28. Possession, Management and Income; Assignment. If an Event of Default occurs, the Mortgagee, to the extent permitted under applicable law, and without notice to the Mortgagor, may enter upon and take possession of the Mortgaged Property or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove Mortgagor and all other persons and any and all property therefrom and may hold, operate and manage the same and receive all revenues, income or profits accruing with respect thereto or any part thereof. The Mortgagee shall have no liability for or by reason of any such taking of possession, entry, removal or holding, operation or management, or for the failure to do so, except for grossly negligent or intentional misconduct. Mortgagee shall have full right and discretion to use, manage, operate and control the Mortgaged Property in the exercise of all of the rights and powers of the Mortgagor, either in the name of Mortgagor or otherwise, including the right to lease the Mortgaged Property or any part thereof, to cancel, modify, renew or extend any Lease of all or any part of the Mortgaged Property, to complete the construction of any unfinished

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improvements or any other additions or alterations that Mortgagee deems necessary or advisable, and to cause the Mortgaged Property to be insured. Mortgagee may employ such superintendents, managers, attorneys, accountants, engineers, architects, contractors, employees and other agents for any such purposes that Mortgagee deems necessary or advisable, all at the expense of Mortgagor. All amounts received by Mortgagee from the Mortgaged Property as the result of the foregoing shall first be used to pay the expenses thereof and shall thereafter be applied to Mortgagor's Obligations in such a manner as Mortgagee deems appropriate and desirable.

Section 29. Remedies Cumulative. Each right, power and remedy of the Mortgagee provided for in this Mortgage, or now or hereafter existing at law or in equity or by statute or otherwise, shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy, and the exercise or beginning of the exercise or partial exercise by the Mortgagee of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by the Mortgagee of any or all such other rights, powers or remedies.

Section 30. Provisions Subject to Applicable Law. All rights, powers and remedies provided herein may be exercised only to the extent that the exercise thereof does not violate any applicable law, and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law.

Section 31. No Waiver by Mortgagee. No failure by the Mortgagee to insist upon the strict performance of any term hereof or to exercise any right, power or remedy consequent upon a breach thereof shall constitute a waiver of any such term or of any such breach. No waiver of any breach shall affect or alter this Mortgage, which shall continue in full force and effect with respect to any other then existing or subsequent breach.

Section 32. Right to Sue for Installments. Mortgagee shall have the right from time to time to sue for any sums required to be paid pursuant to the terms of this Mortgage (whether principal, interest, taxes, insurance premiums, or otherwise) as the same become due, without regard to whether or not the principal or any other sums secured hereby shall then be due and payable, and without prejudice to the right of the Mortgagee to accelerate the indebtedness secured hereby or to commence an action for foreclosure or any other action for a default or defaults by the Mortgagor existing at the time such earlier action was commenced.

Section 33. Additional Security. Without impairment of the lien and rights created by this Mortgage, the Mortgagee may accept additional security for the indebtedness secured by this Mortgage from the Mortgagor or (without notice to or the consent of the Mortgagor) from any other person or persons. Mortgagee may release or subordinate any part of the security for the indebtedness secured by this Mortgage without in any way impairing or affecting the validity or priority of this Mortgage as to the Mortgaged Property not specifically released. Mortgagee may resort to the security created by this Mortgage or to any such additional security in such manner and order as Mortgagee may elect, in each case without affecting the lien hereof and the rights conferred hereunder.

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Section 34. Notices. Any notice, demand or request required or permitted by this Mortgage shall be in writing and shall be deemed to have been sufficiently given either when personally delivered or at 6:00 P.M. on the second business day after the day on which it is deposited in the United States certified or registered mail, postage prepaid, and addressed to the address of the party to whom such notice is directed as such address is set forth at the beginning of this Mortgage, and in the case of the Mortgagee, with a copy to Marc W. Freimuth, Esq. 300 Pepper Pike Place, 30195 Chagrin Boulevard, Cleveland, Ohio 44124, or at such other valid U.S. Postal Service address as any party may from time to time notify the other by notice in writing as aforesaid. A business day is any day other than a Saturday, Sunday or any day on which banks are authorized or required to be closed in the State.

Section 35. Reimbursement of Attorneys' Fees and Expenses. If the Mortgagee becomes a party to any action wherein the Mortgagee deems it desirable to establish or defend the validity or priority of this Mortgage, or if the Mortgagee incurs expenses in connection with the enforcement of this Mortgage, any Loan Document or any other instrument or document collateral thereto, the Mortgagor shall reimburse the Mortgagee for any and all such costs or expenses (including attorneys' fees), together with interest thereon at the Default Rate from the date such costs and expenses are incurred, on demand, and all of said amounts, including interest, shall constitute indebtedness secured by this Mortgage to the extent permitted by law.

Section 36. Discharge of Mortgage. If the Mortgagor's Obligations and all other sums payable under this Mortgage by the Mortgagor shall have been fully paid and the Mortgagor shall have complied with all the terms, conditions and requirements hereof, then, upon the written request and at the expense of the Mortgagor, the Mortgagee will execute and deliver such proper instruments of release and discharge as may reasonably be requested to evidence such defeasance, release and discharge. The certificate of any officer of Mortgagee that Mortgagor's obligations have not been paid in full or that Mortgagor has not performed all of its obligations pursuant hereto may be relied on by any person.

Section 37. Recordation. The Mortgagor, at its expense, shall cause this Mortgage, any instruments supplemental hereto, and financing statements, including all necessary amendments, supplements and appropriate continuation statements, to be recorded, registered and filed, and to be kept recorded, registered and filed, in such manner and in such places as may be required in order to establish, preserve and protect the lien of this Mortgage as a valid mortgage lien on all real property and fixtures included in the Mortgaged Property and a valid, perfected first priority security interest in all fixtures included in the Mortgaged Property (including in each such case, without limitation, any such properties acquired after the execution hereof).

Section 38. Further Assurances. Mortgagor will properly execute and deliver, or cause to be executed and delivered from time to time, at the request of Mortgagee, all such further deeds, conveyances, mortgages, security agreements, financing statements, assignments of leases now existing or hereafter entered into, transfers, certificates, instruments and other documents and such other assurances as the Mortgagee shall require for better assuring, mortgaging, pledging, assigning and confirming unto the Mortgagee all and singular the Mortgaged Property and the title thereto. Upon any failure by Mortgagor to do so, the Mortgagee may make, execute and record any and all such instruments, certificates and documents for and in the name of the Mortgagor, and at the sole expense of the Mortgagor, and the Mortgagor hereby irrevocably

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appoints the Mortgagee as the agent and attorney-in-fact of the Mortgagor to do so, this appointment being coupled with an interest. The Mortgagee may, at its option, advance the expenses in making, executing and recording any and all such instruments, certificates and documents, and such sums advanced, with interest at the Default Rate, shall be payable on demand by Mortgagee, and secured hereby.

Section 39. Estoppel Affidavits. Within ten (10) days after written request from the Mortgagee, the Mortgagor shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on the indebtedness secured hereby and whether or not any offsets or defenses exist against the obligation of Mortgagor to pay such principal and interest, and whether any Event of Default or Pending Event of Default then exists.

Section 40. Amendments, Changes and Modifications. Except as otherwise provided in this Mortgage, this Mortgage may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Mortgagee.

Section 41. Governing Law. This Mortgage shall be deemed to be made under the laws of the State and for all purposes shall be governed by and construed in accordance with the laws of the State.

Section 42. Binding Effect. This Mortgage shall inure to the benefit of and be binding upon the Mortgagor, its successors and assigns, and the Mortgagee, its successors and assigns, provided that this Mortgage may not be assigned by the Mortgagor without the prior written consent of the Mortgagee.

Section 43. Severability. If any term or provision of this Mortgage, or the operation thereof, shall be held to be invalid, illegal or unenforceable, the validity of the remaining provisions hereof, and the operation thereof, shall in no way be affected thereby, each of which shall be deemed to be effective to the full extent permitted by law.

Section 44. Captions. The captions or headings herein shall be solely for convenience of reference and in no way define, limit or describe the scope or intent of any provisions or sections of this Mortgage.

Section 45. No Setoffs. Mortgagor acknowledges that the indebtedness secured hereby was incurred in good faith for full value received, and the Mortgagor has no defenses, setoffs or counterclaims thereto.

Section 46. Definitions. Whenever in this instrument the context so admits or requires, the terms "Mortgagor" and "Mortgagee" shall be construed as including their respective heirs, legal representatives, successors and assigns, as the case may be (provided, however, that nothing herein shall be construed to permit the assignment of this Mortgage by Mortgagor); and the pronoun as used herein to refer to either Mortgagor or Mortgagee in the third person, singular number and masculine gender, shall be construed as meaning the person, number and gender appropriate to the first designation to the respective parties hereto. The terms "herein", "hereof" and "hereunder" refer to this entire Mortgage, including all Exhibits hereto, unless the context otherwise clearly requires. Accounting terms used herein are used in accordance with generally accepted accounting principles in the United States unless otherwise stated. Capitalized terms

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used and not defined in the body hereof are used as defined on Exhibit C hereto. Any capitalized terms used in this Mortgage and not defined herein are used as defined in the Loan Agreement.

Section 47. Partial Release. Provided that no Event of Default has occurred or then exists, and that the then unpaid principal balance of the Bond does not exceed 60% of the then appraised fair market value of the Clybourn Premises according to an appraisal by an appraiser and in form and substance satisfactory to the Mortgagee in its sole judgment, the Mortgagee will release the Berkeley Premises and the Leased Premises from the operation of this Mortgage at the request of Mortgagor at any time more than three (3) years after the date on which the Bond is issued to and purchased by Mortgagor, but not prior thereto, but no such partial release shall affect or impair this Mortgage or the operation hereof with respect to any property not expressly released from the operation hereof by Mortgagee in an instrument recorded in the public records of Cook County, Illinois.

Section 48. Last Dollar. The lien of this Mortgage shall remain in effect until the last dollar of the indebtedness and Mortgagor's Obligations have been paid in full and all Mortgagor's obligations under the Loan Agreement have been terminated.

Section 49. Release. Upon full payment and satisfaction of the Mortgagor's Obligations and the termination of all Mortgagor's obligations under the Loan Agreement, Mortgagee shall issue to Mortgagor an appropriate release of satisfaction in recordable form.

Section 50. Time of the Essence. Time is of the essence with respect to this Mortgage and all the provisions hereof.

Section 51. Loan Agreement. In the event of any conflict between the terms of this Mortgage and the terms of the Loan Agreement, the terms of this Mortgage shall govern and control.

Section 52. Collateral Protection Act. Pursuant to the requirements of the Illinois Collateral Protection Act, Mortgagor is hereby notified as follows:

Without limitation of any provision of the Mortgage, unless the Mortgagor provides the Mortgagee with evidence of the insurance coverage required by this Mortgage, the Mortgagee may purchase insurance at the Mortgagor's expense to protect the Mortgagee's interest in the Mortgaged Property. This insurance may, but need not, protect the Mortgagor's interest. The coverage that the Mortgagee purchases may not pay any claim that the Mortgagor may make or any claim that is made against the Mortgagor in connection with the Mortgaged Property or any other collateral for the Mortgagor's Obligations. The Mortgagor may later cancel any insurance purchased by the Mortgagee, but only after providing the Mortgagee with evidence that the Mortgagor has obtained insurance as required by this Mortgage. If the Mortgagee purchases insurance for the Mortgaged Property or any other collateral for the Mortgagor's Obligations, the Mortgagor will be responsible for and shall pay on demand the costs of such insurance, including interest and any other charges that may be imposed in connection with the placement of such insurance, until the effective date of the cancellation or expiration of such insurance. Without limitation of any other provision of this Mortgage, the cost of such insurance, including interest,

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shall be added to the indebtedness secured hereby. The cost of the insurance may be more than the cost of insurance the Mortgagor may be able to obtain on its own.

Section 53. Excess Interest. If it is determined that Mortgagor shall have paid or there shall have accrued interest on the indebtedness secured by this Mortgage in an amount in excess of that permitted by law, such excess shall, to the extent required by law and otherwise at the option of Mortgagee, either be applied to reduce the unpaid indebtedness secured by this Mortgage or be refunded to Mortgagor.

Section 54. No Agriculture or Residential Property. Mortgagor acknowledges and agrees that the transaction of which this Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 5/15-1201 of the Act) or residential real estate (as defined in Section 5/15-1219 of the Act).

IN WITNESS WHEREOF, this instrument has been signed and acknowledged as of the date first set forth above.

THE NEAR NORTH HEALTH SERVICE CORPORATION, an Illinois nonprofit corporation

By: Clarence Burch
Clarence Burch

Its: Chairman of the Board

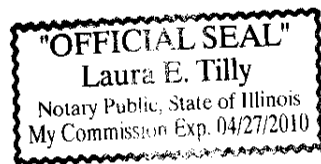
STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

Before me, a Notary Public in and for said County and State, on this 6th day of March, 2007 personally appeared the above-named Clarence Burch, the Chairman of the Board of The Near North Health Service Corporation, an Illinois nonprofit corporation, who acknowledged to me that, with due authorization and as such officer, he did sign the foregoing instrument on behalf of said Corporation, and that such signing was his free act and deed, individually and as such officer, and the free act and deed of said Corporation.

Notary Public L. E. Tilly

(SEAL)

My Commission expires _____



UNOFFICIAL COPY**EXHIBIT A-1****(Clybourn Premises Legal Description)****Parcel 2A:**

Lots 1, 2, 3 and 4 (except the Southeasterly 1 foot of said Lot 4 in the Subdivision of Lots 52 and 54 in Butterfields Addition to Chicago (excepting from said Lots 2 and 3 that part thereof described as commencing at the South West corner of said Lot 2; thence Northeasterly along the Westerly line of said Subdivision of Lot 2; thence Northeasterly along the Westerly line of said subdivision Lot 2, 84 feet 4 1/2 inches more or less to the Southwesterly face of the wall of the two story brick building; thence Southeasterly along the Southwesterly face of said brick wall and said line continuing in the same direction to the Southeasterly line of Lot 3; thence Southwesterly along the Southeasterly line of said Lot 3, a distance of 65 feet 10 1/2 inches more or less to the Southeasterly corner of said Lot 3 and thence Northwesterly in a straight line along the Northerly line of Vedder Street 47 feet 8 7/8 inches more or less to the point of beginning;

Also:

Parcel 2B:

The Southeast 18 inches of Lot 9 and all of Lots 10, 11, 12, 13 and 14, together with that part of the following vacated alleys, more particularly described as: that part of the vacated 10-foot alley lying Southwesterly of and adjoining the southeast 18 inches of Lot 9 and Lot 10; that part of the Southeasterly half of said 10 foot alley, lying Northeasterly of and adjoining Lot 11 and lying Southeasterly of the Southwesterly extension of the Northwesterly line of Lot 8; that part of the 16-foot vacated alley lying Southeasterly of and adjoining the Southeasterly line of Lots 11, 12, 13 and 14; and that part of said 16-foot vacated alley lying Southwesterly of a 16-foot line extended to the Southeast at right angles from the South corner of Lot 14 and also lying Northeasterly of a 16-foot line extended to the Southeast from the point of intersection of the center line of the North-South vacated 12-foot alley and the Southwesterly extension of the Southeasterly line of Lots 11, 12, 13 and 14; all in the Resubdivision by Alfred L. Richon of the South East 20 feet of Sub Lot 2 and all of Sub Lots 3 to 28 inclusive in the Subdivision of Lots 56, 58, 60 and 62 in Butterfields Addition aforesaid together with the private alley Southeasterly of and adjoining said sub lots;

Also:

Parcel 2C

All of Lot 8 and Lot 9 (except Southeasterly 18 inches thereof), together with that part of the Northeasterly 1/2 of the vacated 10 foot Northwest/Southeast alley, lying Southwesterly of and adjoining said Lots, in Resubdivision of the South East 20 feet of Sub Lot 2 and all of Lots 3 to 28 inclusive in Sub of Lots 56, 58, 60 and 62 and private alley Southeast and adjoining above lots, all being in Butterfields Addition to Chicago, being a subdivision of the West 1/2 of the North West 1/4 and the South East 1/4 of the North West 1/4 of Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2D:

Lots 18, 19, and 20 (excepting therefrom that part of Lot 20 dedicated for a public alley by Ordinance recorded October 27, 2000 as document number 00848870, and as amended by document recorded October 27, 2000 as document number October 27, 2000 as document number 00848871), together with that part of the vacated 12 foot North/South alley lying East of and adjoining said Lots in the resubdivision of the South East 20 feet of Sub-Lot 2 and Sub-Lots 3 to 28 inclusive in the subdivision of Lots 56, 58, 60, and 62 and private alley South East and adjoining above lots on Butterfield's Addition to Chicago in the West 1/2 of the North West 1/4 and the South East 1/4 of the North West 1/4 of Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

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EXHIBIT A-1

(Clybourn Premises Legal Description)

Parcel 2E:

That part of Sub-Lot 2 in the Subdivision of Lots 52 and 54 in Butterfield's Addition to Chicago in Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, described as follows: Beginning at the Southwest corner of said Sub-Lot 2, thence Northeasterly along the Westerly line of said Sub-Lot 2 to the wall of a two-story brick building, a distance of 84 feet 6 inches, more or less; thence Southeasterly along said brick wall to the Easterly line of said Sub-Lot 2; thence Southwesterly along said Easterly line of Sub-Lot 2 to Vedder Street, a distance of 75 feet eight inches, more or less; thence along the Northerly line of Vedder Street to the point of beginning, in Cook County, Illinois.

Parcel 2F:

That part of Sub-Lot 3 in the Subdivision of Lots 52 and 54 in Butterfield's Addition to Chicago in Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, described as follows: Beginning at the Southwest corner of said Sub-Lot 3, thence Northeasterly along the Westerly line of said Sub-Lot 2 to the wall of a two story brick building, a distance of 75 feet 8 inches, more or less; thence Southeasterly along said brick wall to the Easterly line of said Sub-Lot 3; thence Southwesterly along said Easterly line of Sub-Lot 3 to Vedder Street, a distance of 66 feet 10 inches, more or less; thence along the Northerly line of Vedder Street to the point of beginning, in Cook County, Illinois.

Parcel 2G:

Lots 15, 16 and 17, together with that part of the vacated 12-foot North-South alley lying East of and adjoining Lots 16 and 17; and also that part of the vacated 16-foot alley lying southeasterly of and adjoining Lot 15; and also that part of the vacated 16-foot alley lying Southwesterly of a line extended 16 feet to the Southeast from the point of intersection of the center line of the North-South vacated 12-foot alley and the Southwesterly extension of the Southeasterly line of Lots 11, 12, 13 and 14 (said 16 foot line being drawn at right angles to said Southwesterly extension of the Southeasterly line of Lots 11, 12, 13 and 14); all in the Resubdivision of the Southeast 20 feet of Sublot 2 and all of Sublots 3 to 28 inclusive, in Subdivision of Lots 56, 58, 60 and 62 and private alley Southeast and adjoining above Lots in Butterfield's Addition to Chicago, being a Subdivision of the West 1/2 of the Northwest 1/4 and the Southeast 1/4 of the Northwest 1/4 of Section 4, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Pins:

17-04-130-029

17-04-130-023

17-04-130-021

17-04-130-022

17-04-130-009

17-04-130-010

17-04-130-011

17-04-130-024

17-04-130-025

17-04-130-012

17-04-130-013

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EXHIBIT A-2

(Berkeley Premises Legal Description)

Parcel 1A:

That part of Block 1 in Miller and Chamberlain's Subdivision of Block 1 in the resubdivision of Blocks 1 and 2 in the resubdivision of Reform School property, being the South 25 rods of the Northwest Fractional 1/4 of Section 2 Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois being described as beginning at the Southwest corner of said Block 1; thence North 00 degrees 03 minutes 20 seconds East along the East line of Berkely Avenue, 60 feet wide, a distance of 206.50 feet to a point of intersection with the South line of the North 13.5 feet of Lot 25 in said Block 1; thence due East along a line parallel to the South line of said Block 1, a distance of 182.37 feet to a point in a line 81.93 feet West of and parallel to the West line of Greenwood Avenue, being also the Northward projection of the West side of the West wall of an existing brick masonry building; thence South 00 degrees 09 minutes 30 seconds East along said line 81.93 feet West of and parallel to the West line of Greenwood Avenue, being also the Northward projection of the West side of the wall of an existing brick masonry building, a distance of 206.50 feet to a point in the North line of 43rd Street 66 feet wide; thence due West along the North line of said 43rd Street a distance of 183.07 feet to the point of beginning.

Parcel 1B:

That part of Block 1 in Miller and Chamberlain's Subdivision of Block 1 in the Resubdivision of Blocks 1 and 2 in the resubdivision of Reform School Property, being the South 25 rods of the Northwest Fractional 1/4 of Section 2, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois being described as beginning at the Southeast corner of said Block 1; thence due West along the North line of 43rd Street (66 feet wide) a distance of 81.93 feet to a point in a line 81.93 feet West of and parallel to the West line of Greenwood Avenue, being also the Southward projection of the West side of the West wall of an existing brick masonry building; thence North 00 degrees 09 minutes 30 seconds West along said line 81.93 feet West of and parallel to the West line of Greenwood Avenue, being also the Southward projection of the West side of the West wall of an existing brick masonry building, a distance of 206.50 feet to a point on the South line of the North 13.5 feet of Lot 6 in said Block 1, a distance of 81.93 feet to a point in the West line of Greenwood Avenue, 66 feet wide thence South 00 degrees 09 minutes 30 seconds East along the West line of Greenwood Avenue a distance of 206.50 feet to the point of beginning, in Cook County, Illinois.

PINS:

20-02-122-010

20-02-122-013

20-02-122-016

20-02-122-015

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EXHIBIT A-3

(Leased Land - Legal Description)

Parcel 3:

Lots 10, 11, 12, 13, 14 and 15 in Miller & Chamberlain's Subdivision of Block 2 in the Resubdivision of Blocks 1 and 2 in the Resubdivision of the Reform School Property being the South 25 acres of the Northwest Fractional 1/4 of Section 2, Township 38 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

PIN: 20-02-121-03

Property of Cook County Clerk's Office

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EXHIBIT B PERMITTED EXCEPTIONS

1. Easement in favor of Commonwealth Edison Company to construct, operate, maintain, renew, relocate and remove wires, cables, conduits, manholes, poles, transformers, pedestals, and incidental purposes, as created by grant recorded on July 20, 1998 as document 9825318, over that part of the North, West and East 10 feet of Parcel 2 shown shaded on the plat attached thereto.

Note: Affects Parcels 1A and 1B.

2. Covenants, conditions and restrictions contained in the Deed recorded October 9, 1997 as number 97751784 stating the property will be improved with a neighborhood health center with parking lot within 24 months of the date of deed and will be used as a neighborhood health center with parking lot for a period not less than 20 years and if conditions are not met, title will be revested in grantor. For particulars refer to instrument.

Note: Affects Parcels 1A and 1E.

3. Terms, provisions, covenants, conditions and restrictions contained in document entitled "Agreement for the Sale and Redevelopment of Land" dated October 27, 2000 as document number 00848872, made by and between City of Chicago and Near North Health Service Corporation, an Illinois not-for-profit corporation, as more particularly described therein.

Note: Affects the vacated alleys located in Parcels 2D and 2G.

4. Relative to the vacation of portions of public alleys bounded by North Clybourn Avenue, North Larrabee Street, West Scott Street and North Cleveland Avenue, as more particularly described in Ordinance recorded October 27, 2000 as document number 00848870, as amended by Ordinance recorded October 27, 2000 as document number 00848871, we note the following;

- a) Easement for the benefit of Commonwealth Edison and Ameritech Illinois, their successors or assigns to operate, maintain, construct, replace and renew overhead poles, wires, and associated equipment, over and along the public alleys as therein vacated, with the right of ingress and egress.

Note: Affects part of Parcel 2.

5. Terms, provisions, restrictions and conditions contained in the unrecorded lease made by and between the City of Chicago (as fee owner/landlord) and Near North Health Service Corporation, an Illinois not-for-profit corporation (lessee), dated October 7, 1997 and having a term beginning October 7, 1997 and ending October 6, 2007.

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Note: The aforesaid lease contains 1 option to renew for a period of 10 years.

Note: Affects Parcel 3.

6. Rights of the public and quasi-public utilities, if any, in said vacated alleys for maintenance therein of poles, conduits, sewer and other facilities.

Note: Affects Parcels 1A and 1B.

7. Possible easement rights of Commonwealth Edison, per utility letter dated August 22, 1997 which states that the company has facilities on the premises.

Note: Affects Parcel 1A.

8. Matters as disclosed by survey prepared by Gremley and Biedermann, Order No, 2006-07332-001, dated December 7, 2006:

- a) Encroachment of fence located mainly on the West line of Parcels 2D and 2G, over and onto the public land West and adjoining by distances of 0.20 feet and 0.40 feet.
- b) Encroachment of overhead sign located along the Northeast line of Parcel 2B, over and onto the public land Northeast and adjoining.
- c) Encroachment of building located mainly on the land Southeast and adjoining, over and onto the subject land by a distance of 0.12 feet.

Note: Municipal Encroachment Endorsement No. 1 approved for policy.

9. Matters as disclosed by survey prepared by Gremley and Biedermann, Order No, 2006-07395-001, dated December 15, 2006:

- a) Encroachment of fence located mainly on Parcel 1A of the land, over and onto the public land West and adjoining by distances of 5.72 feet.
- b) Encroachment of fence located mainly on Parcel 3 of the land over and onto the land South and adjoining by 0.15 feet; over and onto the land North and adjoining by 0.60 feet; and over and onto the land East and adjoining by 0.60 feet.

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EXHIBIT C

(Definitions)

“Berkeley Land” shall have the meaning set forth in the granting clauses of the Mortgage.

“Berkeley Lease” shall have the meaning set forth in the granting clauses of the Mortgage.

“Berkeley Premises” shall have the meaning set forth in the granting clauses of the Mortgage.

“Clybourn Land” shall have the meaning set forth in the granting clauses of the Mortgage.

“Clybourn Premises” shall have the meaning set forth in the granting clauses of the Mortgage.

“Condemnation” means any taking of title, of use or of any other property interest under or by threat of the exercise of the power of eminent domain, by any Governmental Authority or by any Person acting under or pursuant to Governmental Authority, or having the power of eminent domain pursuant to Law.

“Condemnation Award” means any judgment, damages (including but not limited to severance and consequential damages), payments, proceeds, settlements or other compensation heretofore or hereafter paid, including interest thereon, and the right to receive the same, as a result of, in connection with or in lieu of (a) any Condemnation or other taking of the Mortgaged Property or any part thereof under the power of eminent domain, either temporarily or permanently, (b) any change or alteration of the grade of any street effecting any of the Mortgaged Property, or (c) any other injury or damage to, or decrease in the value of, the Mortgaged Property or any part thereof as a result of the power of eminent domain.

“Encumbrance” means any mortgage, pledge, lien, security interest, charge, deed of trust, lease, easement, restriction, condition, reservation of rights, remainder, reversion, claim or other property interest that would in any way interfere with, jeopardize or detract from the use or value of the applicable property.

“Environmental Laws” means all Laws regulating the use, storage, treatment, transportation or disposal of Hazardous Materials or the location of any Hazardous Materials on, at or under any Mortgaged Property, including without limitation the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), the Federal Clean Air Act, the Federal Water Pollution Control Act, the Federal Toxic Substances Control Act, and the Federal Hazardous Materials Transportation Act, all as the same may be amended, and including the regulations promulgated pursuant thereto.

“Governmental Authority” means any governmental or quasi-governmental entity, including, without limitation, any department, commission, board, bureau, agency, administration, service or other instrumentality of the State, the United States or any governmental entity.

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"Hazardous Materials" means any flammable explosive, radioactive material, hazardous waste, material or substance, toxic substance or related material, including, without limitation: (a) asbestos, polychlorinated biphenyls, urea-formaldehyde, radon, liquid or viscous petroleum product, (b) any substance at the time defined as or included in any definition of "hazardous waste", "hazardous substances", "hazardous materials", "toxic substances", or "solid waste" in or for purposes of any Environmental Law or at the time defined or specified as such by the US Environmental Protection Agency or any Governmental Authority exercising similar authority within the State or where any of the Mortgaged Property is located, (c) any hazardous or infectious medical waste including but not limited to cultures and stocks of infectious agents and associated biological, pathological wastes, human and animal blood specimens and blood products, anatomical materials, blood, blood-soiled articles, contaminated materials, microbiological laboratory wastes, sharps, chemical wastes, infectious wastes, chemotherapeutic wastes, and radioactive wastes; (d) any substance, the presence of which on the Mortgaged Property is prohibited or regulated under any applicable laws or regulations of any Governmental Authority or requires special handling in its collection, storage, treatment or disposal; and (e) any other substance, pollutant, contaminant, chemical, or industrial, toxic or hazardous substance or waste, including without limitation hazardous materials, which by law is prohibited or is otherwise regulated as a hazardous material, provided that "Hazardous Materials" shall not include ordinary and customary cleaning and repair supplies in amounts not exceeding those reasonably expected to be consumed within not more than 6 months or minor human medical and x-ray waste incidental to the usual and customary operations of the Mortgagor at each of the Parcels provided all such waste is collected, stored and disposed of in accordance with Law.

"Hazardous Materials Contamination" means (i) the contamination of the improvements, facilities, soil, ground water, air or other elements on, or of, the Premises, or any part thereof, by any Hazardous Materials, (ii) the contamination of the buildings, facilities, soil, ground water, air or other elements on, or of, any other property as a result of Hazardous Materials at any time (whether before or after the date of this Mortgage) emanating from any of the Premises, or (iii) the escape, seepage, leakage, spillage, discharge, emission or release from any of the Premises of any Hazardous Materials, whether or not caused by or within the control of the Mortgagor.

"Law" or "law" means any federal, state, or local law, statute, rule, ordinance, regulation, code, license, authorization, decision, injunction, interpretation, order or decree of any court or other Governmental Authority having jurisdiction, as may be in effect from time to time.

"Lease" is defined in Section 19.

"Leased Land" shall have the meaning set forth in the granting clauses of the Mortgage.

"Material Adverse Effect" means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties or condition (financial or otherwise) of the Mortgagor; (b) a material impairment of the ability of the Mortgagor to perform any of the Mortgagor's Obligations; (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Mortgagor of any of the Loan Documents; or (d) a material adverse effect on the Mortgaged Property or any Parcel or the value, marketability or use thereof as contemplated by the Loan Documents.

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"Mortgaged Property" shall have the meaning set forth in the granting clauses of the Mortgage.

"Mortgagor's Obligations" means the obligations of the Mortgagor under the Loan Agreement, this Mortgage and the other Loan Documents to (a) pay the principal, premium and interest on the Bond, when and as the same shall become due and payable (whether at the maturity thereof, on any installment payment date, by acceleration of maturity, after notice of redemption or otherwise), (b) pay all other payments required by the Loan Agreement, Mortgage, and the other Loan Documents to be paid by the Mortgagor when and as the same shall become due and payable, and (c) timely perform, observe and comply with all of the terms, covenants, conditions, provisions and agreements, express or implied, which the Mortgagor is required by this Mortgage, Loan Agreement or any of the other Loan Documents to perform or observe.

"Parcel" shall have the meaning set forth in the granting clauses of the Mortgage.

"Pending Event of Default" means any event which with notice or lapse of time or both would constitute an Event of Default as defined in Section 23.

"Person" means any individual, corporation, partnership, limited partnership, limited liability company, trust, association or Governmental Authority, or any other entity.

"Property Taxes" means all taxes, payments in lieu of taxes, and other dues, charges and levies which are or may be levied, imposed or assessed upon any of the Mortgaged Property or upon Lease, or upon any Rents, by any Governmental Authority.

"Rents" means all of the rents, royalties, issues, profits, revenues, earnings, income and other benefits of the Mortgaged Property, or any part thereof, or proceeds therefrom, or from a Lease or other agreement pertaining thereto.

"State" means the State of Illinois.

"Taxes" means all taxes, assessments and governmental charges or levies imposed upon the applicable person or on its income or properties, including without limitation, all Property Taxes.