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Cook County Recorder 93.00

MORTGAGE AND SECURITY AGREEMENT

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THIS MORTGAGE AND SECURITY AGREEMENT ("Mortgage"), made this 1st day of October, 1998, by and between the AMERICAN COLLEGE OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE, an Illinois non-profit corporation, whose address is 55 West Seegers Road, Arlington Heights, Illinois 60005 ("Company") and AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, whose address is 120 South LaSalle Street, Chicago, Illinois 60603, hereinafter called the "Bank";

WITNESSETH THAT:

WHEREAS, the Illinois Development Finance Authority (the "Issuer"), a political subdivision and body corporate and politic duly organized and existing under the laws of the State of Illinois is issuing its Variable Rate Demand Revenue Bonds, (American College of Occupational and Environmental Medicine Project) Series 1998 in the aggregate principal amount of \$2,475,000.00 (the "Bonds") pursuant to a Trust Indenture dated as of October 1, 1998 (the "Indenture") between the Issuer and American National Bank and Trust Company of Chicago, Chicago, Illinois as Trustee ("Trustee") to obtain monies which will be used to finance the costs of the acquisition, construction, renovation, rehabilitation and equipping of an office facility located at 1114 Arlington Heights Road, Arlington Heights, Illinois; and

WHEREAS, the Bonds are to be secured by an Irrevocable Letter of Credit (the "Letter of Credit") in the original amount of \$2,515,685.00 to be issued by the Bank in favor of the Trustee for the benefit of the owners of the Bonds, which Letter of Credit is being issued pursuant to and in accordance with a Reimbursement Agreement dated as of October 1, 1998 by

THIS INSTRUMENT PREPARED BY AND UPON RECORDING SHOULD BE RETURNED TO:

John T. Duax
Schwartz & Freeman
401 North Michigan Avenue
Suite 1900
Chicago, Illinois 60611

STREET ADDRESS:

1114 Arlington Heights Road
Arlington Heights, Illinois

PERMANENT TAX INDEX NUMBERS:

03-20-305-027
03-20-305-042

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and among Company and the Bank (the "Reimbursement Agreement") whereby the Company is obligated to reimburse the Bank for all drawings made by the Trustee on the Letter of Credit and to pay certain other costs and expenses; and

WHEREAS, the Company desires that the Issuer issue the Bonds and apply the proceeds as aforesaid and is willing to enter into this Mortgage to secure all of Company's Liabilities and Company's Obligations as hereafter defined and thereby induce Bank to issue the Letter of Credit in order to enhance the marketability of the Bonds and thereby achieve cost savings to the Company.

NOW THEREFORE, Company, in order to secure to Bank the (i) payment of all amounts now or hereafter becoming due and owing by Company under the Reimbursement Agreement and any and all modifications, extensions and renewals thereunder including without limitation, the obligations to pay fees relating to the Letter of Credit, to reimburse Bank for any drawings under the Letter of Credit and the performance of all of the obligations of the Company under the Reimbursement Agreement, and (ii) performance of the covenants, conditions and agreements contained herein and in the Credit Documents (as hereinafter defined) and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, does hereby grant, bargain, sell, transfer, assign, convey, confirm and mortgage unto Bank, its successors and assigns the property located at 1114 Arlington Heights Road, Arlington Heights, Illinois, which property is legally described in Exhibit A attached hereto and made a part hereof; together with all buildings, structures and other improvements and chattels of every nature now on said land or that may hereafter be erected or placed thereon or used and incorporated into the construction thereof, all present and future air, mineral, oil and gas rights and interests relating thereto, all shrubbery and trees now growing or that hereafter may be planted or grown thereon; all crops and/or produce of any kind now growing or that may be hereafter growing, grown or produced upon said land or any part thereof, and all and singular ways, present and future easements and other rights, and all present and future tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, including but not limited to all present and future sewer rights, development rights or credits, surface and underground water, water rights and powers; all present and future rights in any abutting public or private streets and alleys and in any submerged lands adjacent thereto (hereinafter referred to as the "Premises"); and

All present and future rents, issues, avails, profits, account receivables, concession and other operating costs and proceeds (hereinafter referred to as the "Rents") of or from the Premises, the "Leases" and/or from the "Equipment" (both of which terms are hereinafter defined), howsoever occurring, existing, created or arising; and

All present and future permits, licenses, franchises, consents and approvals and all general intangibles of, from or relating to the Premises (collectively, the "Licenses"), leases, agreements and tenancies (hereinafter collectively referred to as the "Leases") of or from the Premises and/or the Equipment or in any way, manner or respect required, existing, used or

useable in connection with the Premises and/or the Equipment or the management, maintenance, operation or business thereof, including, without limitation, those Licenses issued by any governmental authority, and all deposits of money as advance rent or for security under any or all of the Leases and all guaranties of lessees' performances thereunder; and

All present and future judgments, awards or damages and settlements made as a result or in lieu of any taking of the Premises, the Equipment, the Licenses, the Rents and/or the Leases, or any part thereof, under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) thereto; and

All present and future apparatus, machinery, elevators, equipment, fixtures, appliances, furniture, hardware, floor, wall or window coverings and articles of personal property of any and every kind and nature whatsoever used, attached to, installed in or located on the Premises, or required for use in or on or in connection with the Premises or the management, maintenance, operation or business thereof and all replacements thereof and accessions thereto now or hereafter owned by Company or which Company now or hereafter acquires an interest in (hereinafter referred to as the "Equipment"), including, but not limited to, (i) any such items of Equipment now or at any time or times hereafter situated on the Premises and used to supply or otherwise deliver heat, gas, air conditioning, water, light, electricity, power, plumbing, refrigeration, sprinkling, ventilation, mobility, communication, security, incineration, laundry service and all other related or other such services and (ii) any and all personal property purchased with the proceeds of the initial sale of the Bonds (all of the immediately above mentioned items of Equipment being deemed to be a part of the Premises, whether physically attached thereto or not); and

All present and future insurance policies in force or effect insuring the Premises, the Rents, the Leases, the Licenses or the Equipment; and

All present and future plans, specifications, surveys, studies, forms, brochures, photographs, drawings, warranty claims, warranties, contract rights and title insurance policies of or relating to the Premises, the Equipment, the Leases, the Rents and/or the Licenses or any part or interest therein and all bonds, permits, utility contracts, maintenance agreements, management agreements and service contracts in any way required, existing, used or useable in connection with the Premises, the Leases, the Rents, the Licenses and/or the Equipment or the management, maintenance, operation or business on the Premises and all books and records, computerized data, tapes and other materials, financial records relating thereto; and

All sums and monies now or from time to time held by or for the benefit of Bank pursuant to this Mortgage or for any other reason; and

All proceeds of each and every of the foregoing.

Company hereby grants to Bank a continuing security interest in (i) that portion of the

Mortgaged Property, as hereafter defined, constituting property or interests in property, whether real or personal, tangible or intangible, now owned or existing and hereafter acquired and arising, which are subject to the priority and perfection of the security interest provisions of the Illinois Uniform Commercial Code (the "Code") or any similar and applicable law, statute, code or other governing body of law; and (ii) the Equipment and all proceeds thereof to secure payment of the Liabilities, as hereafter defined, and the faithful and prompt performance of the Obligations, as hereafter defined, secured by this Mortgage.

To have and to hold the above described property and interests in property ("Mortgaged Property") unto Bank, its successors and assigns, forever;

Provided, however, that if the Company shall fully perform all of Company's covenants and obligations under the Reimbursement Agreement and under the Credit Documents as hereafter defined and shall have no further obligation thereunder and shall pay all sums herein provided for or secured hereby including without limitation sums payable under the Reimbursement Agreement and the Credit Documents as hereafter defined and shall have performed all of Company's Obligations as hereunder defined, and if the Letter of Credit shall both be surrendered and canceled and Bank have no further liability or obligations thereunder or with respect thereto, then this Mortgage shall be released at the cost of Company, otherwise and until on the happening of all the foregoing this Mortgage to remain in full force and effect.

AND THIS MORTGAGE FURTHER WITNESSETH:

1. DEFINITIONS

1.1 Wherever used in this Mortgage, Company's "Liabilities" means any and all of the following: (i) the payment of any and all monies, including, but not limited to, payment of all fees relating to the Letter of Credit and all amounts to be paid Bank for any drawings under the Letter of Credit, now and/or hereafter owed or to become owing by Company to Bank under and/or pursuant to the terms and provisions of the Reimbursement Agreement; (ii) the payment of any and all other debts, claims, obligations, demands, monies, liabilities and/or indebtedness (of any and every kind or nature) now and/or hereafter owing, arising, due or payable from Company or any other party to Bank under and/or pursuant to the terms and provisions of this Mortgage or the Credit Documents.

1.2 Wherever used in this Mortgage, Company's "Obligations" means the prompt and full performance, discharge, compliance and observance by Company or any other party of each and every term, condition, warranty, representation, agreement, undertaking, covenant and provisions to be performed, discharged, observed or complied with by Company or any other party contained in the Credit Documents.

1.3 Wherever used in this Mortgage, the term "and/or" means one or the other or both, or any one or all, of the things, events or persons or parties in connection with which the

term is used.

1.4 Wherever used in this Mortgage, the term "Credit Documents" shall mean this Mortgage, the Reimbursement Agreement and all other documents defined as the "Credit Documents" in the Reimbursement Agreement.

2. WARRANTIES AND REPRESENTATIONS

Company warrants and represents to Bank as follows:

2.1 Company has the standing, right, power and lawful authority to own the Mortgaged Property, to carry on the business of and operate the Mortgaged Property, to enter into, execute, perform under and deliver this Mortgage, the Reimbursement Agreement and the Credit Documents executed by Company, to encumber the Mortgaged Property to Bank as provided herein or in the Credit Documents and to repay all of the Liabilities owing from Company to Bank and to perform all of the Obligations to be performed by Company and to consummate all of the transactions described in or contemplated by this Mortgage, the Reimbursement Agreement and the other Credit Documents executed by Company.

2.2 The execution, delivery and performance by Company of and under this Mortgage, the Reimbursement Agreement and the other Credit Documents executed by Company does not constitute a violation of any applicable law and does not conflict with or result in a default or breach of or under or an acceleration of any obligation arising, existing or created by or under any agreement, instrument, document, mortgage, deed, trust deed, trust agreement, note, judgment, order, award, decree or other restriction to which Company is a party or by which Company or any of the Mortgaged Property is bound or any law or regulatory provision now affecting Company or any of the Mortgaged Property.

2.3 To the best of the Company's knowledge, all of the Licenses necessary for the operation of the Mortgaged Property are in full force and effect; and, to the best of Company's knowledge, all of the Leases are genuine, in all respects what they purport to be, free of set-offs, counterclaims or disputes and valid and enforceable in accordance with their terms. Company has made no previous assignment of the Leases, Rents or Licenses. All parties to the Leases, to the best of Company's knowledge, have the capacity to contract thereunder. Except for security deposits provided for under the Leases, no payment of any Rent has been made by any tenant or by any person in possession of any portion of the Mortgaged Property for more than one month's installment in advance.

2.4 There is no litigation, action, claim or proceeding pending or threatened which might, in any way, manner or respect, materially adversely affect Company, the Mortgaged Property, the operation or the business thereof, Bank's lien thereon, the Reimbursement Agreement, the ability of Company to repay under the Reimbursement Agreement or the financial condition of the Mortgaged Property or the operation or business thereof. There are no

bankruptcy or insolvency proceedings pending or contemplated by Company, or to the best knowledge of Company threatened against Company.

2.5 Company and the Mortgaged Property possess and hold adequate Licenses to conduct and operate the business of the Mortgaged Property and none of the foregoing contains any term or condition that is materially burdensome to said business.

2.6 There does not exist any default or breach of or under any agreement, instrument or document for borrowed money by which Company or the Mortgaged Property is bound or obligated.

2.7 The location, existence, use and condition of the Premises and the Equipment are in compliance with all applicable laws, rules, ordinances and regulations, including, but not limited to, building and zoning laws, and all covenants and restrictions of record.

2.8 Company is (subject to the rights of tenants in possession) in peaceful possession of the Mortgaged Property and is lawfully seized, possessed and the owner of and has good and indefeasible, marketable fee-simple title to the Mortgaged Property, free and clear of all liabilities, claims, debts, exceptions, security interests, assessments, charges, impositions, levys, taxes, liens and all other types of encumbrances (hereinafter referred to as the "Encumbrances") except (a) the Encumbrances of Bank, (b) those Encumbrances described on Exhibit B attached hereto and made a part hereof, and (c) existing Leases to a tenant or tenants in possession of all or portions of the Premises. (The items described in (a) through (c) hereof shall be referred to as the "Permitted Encumbrances".)

2.9 Electric, gas, sewer, water facilities and any other necessary utilities are available in sufficient capacity to service the Mortgaged Property, and any easements necessary to the furnishing of such utility services have been obtained and duly recorded.

2.10 The proceeds of the Bonds will be used solely for the purposes specified in Illinois Compiled Statutes, Chapter 815 ILCS 205/4, and the obligations evidenced by the Reimbursement Agreement constitutes a "business loan" within the definition and purview of said statute and said transaction is an exempted transaction under the Truth In Lending Act, 15 U.S.C. Section 1601, et seq.

2.11 All the various financial statements relating to the Company, the Mortgaged Property and the operation and business thereof delivered by or on behalf of Company to Bank prior to or contemporaneously with the execution of this Mortgage, and those from time to time hereafter delivered by or for Company to Bank pursuant to the Credit Documents or for any other reason, are true, correct, complete and accurate in all material respects, fairly present the financial conditions represented as of the dates and for the periods indicated, and have been prepared in accordance with generally accepted accounting principles, consistently applied.

2.12 The various other data and information relating to the Mortgaged Property and the operation and business thereof heretofore and from time to time hereafter delivered by or for

Company to Bank are true, correct, complete and accurate in all material respects.

2.13 Company has disclosed in writing to Bank all conditions, events, and facts known to Company which could have any material adverse effect on the financial condition of Company or the Mortgaged Property and no representation or warranty contained herein or therein contains any material misstatement of fact or omits to state any material fact or any fact necessary to make the statements, representation or warranties therein or herein not misleading.

2.14 Company has duly filed all federal, state and other governmental tax and similar returns which Company is required by law to file. All taxes and other sums which are shown to be payable under such returns have been and shall be fully paid when due, and Company maintains adequate reserves in an amount to fully pay all such liabilities which hereafter may accrue.

2.15 No portion of the proceeds of the Bonds shall be used to purchase any "Margin Stock", or to pay or refinance any indebtedness incurred to purchase Margin Stock, as such term is defined under applicable rules and regulations of the Board of Governors of the Federal Reserve System.

2.16 All streets, roads, highways and waterways necessary for access to and full use, occupancy, operation and disposition of the Premises have been completed, have been dedicated to the appropriate governmental authority and are open and available to Company without further condition or cost.

2.17 Company has disclosed to Bank all of its partners, members and/or shareholders as the case may be and said partners, members and/or shareholders have furnished or will furnish all funds (other than funds supplied by institutional Banks which have or will hold valid mortgage liens against the Mortgaged Property) for the purchase of the Mortgaged Property and the construction of any improvements thereon and such funds were not and will not be from sources that are described in 18 U.S.C. Sections 1956 and 1957 as funds or property derived from "specified unlawful activity".

2.18 Company hereby expressly represents and warrants to Bank that there has not been committed by Company or any other person involved with the Mortgaged Property any act or omission affording the federal government or any state or local government the right of forfeiture as against the Mortgaged Property or any part thereof or any monies paid in performance of all obligations under the Reimbursement Agreement, Mortgage or under any of the other Credit Documents, and Company hereby covenants and agrees not to commit, permit or suffer to exist any act or omission affording such right of forfeiture. In furtherance thereof, Company agrees to indemnify, defend with counsel reasonably acceptable to Bank (at Company's sole cost) and hold Bank harmless from and against any claim or other cost (including, without limitation, reasonable attorneys' fees and costs incurred by Bank), damage, liability or injury by reason of the breach of the covenants and agreements or the warranties and representations set forth in the preceding sentence. Without limiting the generality of the foregoing, the filing of

formal charges or the commencement of proceedings against Company, the Bank or all or any part of the Mortgaged Property under any federal or state law in which forfeiture of the Mortgaged Property or any part thereof or of any monies paid in performance of Company's obligations under the Credit Documents is a potential result shall, at the election of Bank, constitute a Default hereunder without notice or opportunity to cure.

2.19 To the best of the Company's knowledge, without inquiry, the Mortgaged Property does not contain any lead-based paint hazards as defined under and is not subject to the provisions of the Residential Lead-Based Paint Hazard Reduction Act of 1992, 42 U.S.C. Section 4851 et seq., or any regulations promulgated thereunder.

2.20 The Mortgaged Property is not "real property" as such term is defined under the Illinois Responsible Property Transfer Act of 1988, 765 ILCS 90/1 et seq., as now or hereafter amended ("RPTA"). Neither the execution of the Reimbursement Agreement or issuance of the Letter of Credit nor the granting of a lien or security interest in the Mortgaged Property to Bank by Company is subject to RPTA.

2.21 All representations and warranties made in Article 2 hereof (a) shall remain true and correct as of the date of any draws on the Letter of Credit and at all times thereafter for so long as the Liabilities have not been paid in full and the Obligations fully performed and (b) shall be deemed to have been made again to Bank as being true and correct on each date Bank honors any draws on the Letter of Credit and on each date Company delivers any of the information required under Paragraph 3.12 hereof to be given to Bank.

3. COVENANTS

In addition to all other covenants and agreements contained herein Company specifically covenants with Bank as follows:

3.1 Company will promptly pay, or cause to be paid, when due or declared due the Liabilities owing from Company to Bank and fully and faithfully will perform, discharge, observe and comply with each and every of the Obligations to be performed by Company.

3.2 Company will not change the use or character of or abandon the Mortgaged Property and at all times hereafter shall keep the Mortgaged Property in good condition and repair and will not commit or suffer waste and will make all necessary repairs, replacements and renewals (including the replacement of any items of the Equipment) to the Mortgaged Property so that the value and operating efficiency thereof shall at all times hereafter be maintained and preserved. Company shall not remove any fixture or demolish any building or improvement located in or on the Premises except in connection with the construction of the Improvements as defined in the Reimbursement Agreement or as set forth in Section 5.2(a) hereof. Company shall pay for and complete, within such period of time as may be required by Bank in its reasonable discretion, any building or improvement at any time in the process of erection upon the Premises,

shall refrain from impairing or diminishing the value of the Mortgaged Property and shall make no material alterations to the Mortgaged Property which in the reasonable opinion of Bank diminishes its value. Company shall comply with all requirements of law and all municipal ordinances governing the Mortgaged Property and the use thereof including but not limited to, building and zoning laws.

3.3 Company shall pay and discharge, as and when due and payable, before any penalty attaches, all charges, impositions, levies, assessments and taxes (whether general, special or otherwise), water charges, sewer service charges and all other municipal or governmental charges, impositions, levies, assessments and taxes of any kind or nature that may be at any time levied, assessed or imposed upon or against the Mortgaged Property, or any part thereof, and shall deliver to Bank duplicate receipts evidencing payment thereof at least fifteen (15) days following the due date thereof; provided, however, that if Company in good faith and by appropriate legal action shall contest the validity of any such item or the amount thereof, and, at Bank's option, shall have established by deposit of cash or other security with Bank for the payment thereof in such amount as Bank may reasonably require to pay in full any of the foregoing including interest and penalties thereon and shall increase said deposit to cover additional interest and penalties whenever Bank reasonably deems such increase advisable, then Company shall not be required to pay the item or to produce the required receipts: (a) while the deposit is maintained, and (b) so long as the contest operates to prevent collection, including enforcement of any lien securing payment thereof, is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Company.

3.4 Company shall keep the Mortgaged Property free and clear of all Encumbrances (including, but not limited to, mechanics' liens and other similar liens or claims for liens) of any and every kind and nature except Permitted Encumbrances, shall promptly pay or cause to be paid, as and when due and payable or when declared due and payable, any indebtedness which may become or be secured by such an Encumbrance and, immediately upon request by Bank, shall deliver to Bank evidence satisfactory to Bank of the payment and discharge thereof; provided, however, that if Company in good faith and by appropriate legal action shall contest the validity of any such item or the amount thereof, and, at Bank's option, shall have established by deposit of cash or other security with Bank or other party as designated by Bank for the payment thereof in such amount as Bank may reasonably require to pay in full any of the foregoing together with interest thereon and shall increase said deposit whenever, in the reasonable judgment of Bank, such increase is advisable, then Company shall not be required to pay the item or to produce the required evidence of discharge: (a) while the deposit is maintained, and (b) so long as the contest operates to prevent collection, including enforcement of any lien securing payment thereof, is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Company. If Bank makes payment of any such Encumbrance, Bank shall be subrogated to the rights of such claimant, notwithstanding that the Encumbrance may be released of record.

3.5 All present and future items of fixtures, equipment, furnishings or other tangible personal property (whether or not constituting a part of the Mortgaged Property) related or

necessary to or used or useable in connection with any present or future building or improvement on the Premises, or the operation or business thereof, are and will be owned free and clear of all Encumbrances except Permitted Encumbrances and Company will not acquire any such property subject to any Encumbrance except Permitted Encumbrances.

3.6 If Bank is required by legislative enactment or judicial decision to pay any charge, imposition, assessment, levy or tax in or to any state, municipality or government on the Mortgaged Property (or on any interest therein), this Mortgage or the recording thereof, the other Credit Documents or the Liabilities, other than taxes measured by the net income or gross income of Bank, then to the extent permitted by law, Company shall pay, when payable, such charge, imposition, assessment, levy or tax. If under applicable law and for any reason whatsoever, Company is not permitted to pay, in full, all of such charges, impositions, assessments, levys and taxes, then all Liabilities shall become and be due and payable, at the election of Bank, within thirty (30) days following Bank's notice to Company.

3.7 Company shall pay all operating expenses of the Premises, maintain all insurance required hereunder, cause the Premises to be operated in a competent and professional manner and refrain from any action which would increase the risk of hazards to the Premises. Company shall comply with all restrictions and covenants of record with respect to the Premises and the use thereof, and observe and comply with any conditions and requirements necessary to preserve, maintain and extend any and all Licenses (including, without limitation, special exceptions and nonconforming uses), privileges, franchises and concessions, electric, gas, sewer, water facilities and any other necessary utilities which are necessary to the operation of the business conducted on the Premises or for its use and occupancy.

3.8 Company shall not grant any License or easement burdening the Mortgaged Property or agree to or accept the modification, amendment, or termination of any License or easement affecting the Mortgaged Property without the prior written consent of Bank which consent shall not be unreasonably withheld, delayed or conditioned. Company shall not initiate or acquiesce in any change in the zoning or conditions of the use of the Premises. If under applicable law, the use of all or any part of the Premises is or becomes a nonconforming use, Company shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Bank. Except for security deposits provided for under the Leases, Company shall not accept any payment of Rents for any portion of the Mortgaged Property for more than one month's installment in advance. Company shall not, without the written consent of Bank, change the identity of the person or firm responsible for managing and/or leasing the Premises.

3.9 If title to any part of the Mortgaged Property, or the interest of Bank therein, shall be endangered or shall be attached, directly or indirectly, Company will immediately take all necessary and proper steps for the defense thereof, including the employment of counsel (reasonably acceptable to Bank), the prosecution or defense of litigation, and the compromise or discharge of all claims.

3.10 Company shall permit Bank, and its agents, upon reasonable prior notice, to

inspect the Mortgaged Property, conduct studies or tests thereof, above or below the surface of the Premises. Company shall pay all costs and expenses incurred by Bank in conducting such inspections.

3.11 If Company is a corporation, partnership or trust, it shall take all action necessary under the laws of its state of organization to maintain its existence. If Company is a corporation, partnership or trust organized under the laws of a state which is not the same as the state in which the Mortgaged Property is located, it shall, to the extent required by applicable law, qualify as a foreign corporation, partnership or trust in the state in which the Mortgaged Property is located, and maintain itself in good standing under the laws of the state in which the Mortgaged Property is located. Company shall timely file all federal, state and other governmental tax and similar returns which Company is required by law to file and shall fully pay when due all amounts in connection therewith.

3.12 With respect to the Mortgaged Property and the operation and business thereof, Company will keep or cause to be kept proper books and records, prepared in accordance with generally accepted accounting principles, consistently applied. Upon reasonable demand Bank shall have the right to examine said books and records at any time or times hereafter until one (1) year after payment in full of the Liabilities.

3.13 If any act or occurrence of any kind or nature (including any casualty for which insurance was not obtained or obtainable) shall result in damage to or loss or destruction of the Mortgaged Property, or any part thereof, Company will immediately give written notice thereof to Bank. Company shall promptly, at Company's sole cost and expense and regardless of whether the insurance proceeds (if any) are made available to Company or will be sufficient to accomplish same, commence and continue diligently to completion to restore, repair, replace and rebuild the Mortgaged Property as nearly as possible to its value, condition and character immediately prior to such damage, loss or destruction, in accordance with plans, specifications and procedures reasonably acceptable to Bank.

3.14 Company shall promptly notify Bank if Company learns of the occurrence of (i) any event which constitutes a Default, (ii) any event which, but for the passage of time or the giving of notice would constitute a Default, (iii) any legal, judicial or regulatory proceedings affecting Company or any of its properties in which the amount involved is material and is not covered by insurance, or which, if adversely determined, would have a material adverse effect on Company, (iv) any other event of condition having a material adverse effect on Company. Company's notice shall include a detailed statement of the steps being taken to cure or minimize the effect of any such occurrence or event.

4. INSURANCE, TAXES, EMINENT DOMAIN AND CONDEMNATION

4.1 Company, at all times, shall keep and maintain the Mortgaged Property fully insured (without co-insurance): (i) against loss or damage by, or resulting from, fire, windstorm,

flood and other risks and hazards as covered under a standard extended coverage policy and such other hazards, casualties and contingencies as Bank, from time to time, may reasonably require in companies, form, amounts and for full replacement cost, and such periods as is satisfactory to Bank, but, in any event, on a replacement cost basis for not less than the full face amount of the Letter of Credit, without deduction for depreciation and with an "agreed amount, with inflation protection endorsement"; (ii) with rental or business interruption insurance in favor of Bank in an amount reasonably acceptable to Bank; (iii) with comprehensive general public liability insurance on an occurrence basis with combined single limit for bodily injury or property damage of \$3,000,000.00 with respect to any one accident or disaster and naming Bank as an additional insured thereunder; (iv) with sprinkler insurance and boiler insurance, if applicable; (v) with flood insurance if any part of the Premises is located in an area identified by the Federal Emergency Management Agency as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (and any amendment or successor act thereto) in an amount at least equal to the outstanding face amount of the Letter of Credit or the maximum limit of coverage available with respect to the Premises and Equipment under said Act, whichever is less; (vi) with earthquake insurance, if available and if reasonably required by Bank; and (vii) with such other insurance as may be reasonably required by Bank from time to time. All such policies and renewals thereof (hereinafter referred to as the "policies") shall contain, in form and substance acceptable to Bank, a "replacement cost endorsement" (in the case of all casualty policies) and standard mortgagee, and Bank loss payable clauses naming Bank as the mortgagee and loss payee, as well as a standard waiver of subrogation endorsement and a non-contributory standard mortgagee clause and shall be delivered, as issued, to Bank, with premiums therefor paid in full by Company. All policies shall provide that (a) they may not be cancelled or modified by the insurer as to Bank without first giving at least thirty (30) days' prior written notice to Bank of any intended cancellation or modification and (b) and that no claims thereunder shall be paid without ten (10) days advance written notice to Bank. Each insurance company which has issued a policy is hereby authorized and directed to make all payment of losses covered by any policy to Bank alone and not to Bank and Company jointly. In case of policies about to expire, Company will deliver to and deposit with Bank renewal policies not less than thirty (30) days prior to the respective dates of expiration. Company will deliver and deposit with Bank receipts for the payment of the premiums on all policies. In the event of foreclosure of this Mortgage, the assignment hereof by Bank or the transfer of title to the Mortgaged Property whether or not in extinguishment of Company's Liabilities or otherwise, all right, title and interest of Company in and to any policies then in force shall pass to the purchaser, grantee or assignee. Unless Company provides Bank with evidence of the insurance coverage required by this Section, Bank may purchase same at Company's expense to protect Bank's interest in the Mortgaged Property. This insurance may, but need not, protect Company's interests. The coverage that Bank purchases may not pay any claim that Company makes or any claim that is made against Company in connection with the Mortgaged Property. Company may later cancel any insurance purchased by Bank, but only after providing Bank with evidence that Company has obtained insurance as required by this section. If Bank purchases insurance for the Mortgaged Property, Company will be responsible for the costs of the insurance, including interest and any charges Bank may impose in connection

with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the Liabilities. The costs of the insurance may be more than the cost of insurance Company may be able to obtain itself.

4.2 Full power is hereby irrevocably conferred on Bank and the Company does hereby irrevocably constitute and appoint Bank the true and lawful attorney of Company with full power of substitution for Company: (i) to settle and compromise all claims under all policies; (ii) to demand, receive and receipt for all monies becoming due and/or payable under all policies; (iii) to execute, in the name of Company or in the name of Bank, any proofs of loss, notices or other instruments in connection with all claims under all policies; and (iv) to assign Bank's interest in all policies to any holder of Company's Liabilities or to the grantee of the Mortgaged Property in the event of the foreclosure of this Mortgage or other transfer of title to the Mortgaged Property. In the event of payment under any of the policies, the proceeds of the policies shall be paid by the insurer to and deposited with Bank, and Bank shall, provided no Default exists or event but for the giving of notice and/or passage of time would be a Default exists; apply such proceeds wholly or partially, after deducting all costs of collection, including reasonable attorneys' fees toward the alteration, reconstruction, repair or restoration of the Mortgaged Property or any portion thereof and Bank shall deliver said proceeds to the Trustee for deposit in the Project Fund provided (s) the restoration could be completed at least nine months prior to the expiration date of the Letter of Credit, and (t) Company has deposited with Bank such additional funds with Bank which together with the net insurance proceeds shall be sufficient, in Bank's reasonable judgment to complete the restoration (any and all funds so deposited by Company shall first be disbursed prior to the disbursement of any insurance proceeds), and (u) the restoration shall be done in compliance with applicable laws, rules and regulations, and (v) Company carries builders risk insurance satisfactory to Bank, and (w) all reasonable costs and expenses incurred by Bank in connection with making the proceeds available for said restoration including without limitation reasonable attorneys' fees and costs, inspecting engineering or architect fees, appraisal fees and title insurance premiums and costs are paid by Company, and (x) the Mortgaged Property as restored, in the reasonable judgment of Bank, will generate sufficient income to pay all expenses in connection with the operation of the Mortgaged Property, and (y) Bank shall have received evidence satisfactory to Bank that during the period of restoration the sum of (A) income derived from the Mortgaged Property as determined by Bank plus (B) proceeds of rent loss insurance or business interruption insurance, if any to be paid will equal or exceed the sum of (C) expenses to be paid in connection with the operations of the Mortgaged Property and (D) the debt service due Bank under the Reimbursement Agreement, and (z) there is delivered to Bank such architect's certificates, building permits, construction contracts, appraisals, waivers of lien, contractors and owners sworn statements, title insurance endorsements and plats of survey as may be required by Bank in its reasonable discretion. In the event of the receipt of any insurance proceeds when a Default exists or an event but for the giving of notice and/or passage of time would be a Default exists all such insurance proceeds after deducting all costs of collection including reasonable attorneys' fees shall be applied by Bank as a payment on account of the Liabilities (without affecting the amount or time of subsequent installment payments required to be made by Company to Bank under the Reimbursement Agreement), whether or not then due or payable or to fulfill the performance of

any of the Obligations or held by Bank or delivered to the Trustee for deposit in the Bond Fund to secure any further liability of Bank under the Letter of Credit or Liability of Company under the Credit Documents. To the extent any of said insurance proceeds exceeds all of the items described in the previous sentence, same shall be released to Company. All insurance proceeds now or hereafter disbursed for the benefit of Company in any way, manner or respect affecting, arising from or relating to the Mortgaged Property, or any portion thereof unless released absolutely by Bank, are hereby assigned to Bank as additional security for the payment of the Liabilities and performance of the Obligations (except as expended for restoration of the Mortgaged Property) and for such purpose, Company hereby grants to Bank a security interest therein. The power of attorney granted Bank under this paragraph shall be coupled with an interest and shall be irrevocable and same cannot be modified or altered without the written consent of Bank.

4.3 If requested by Bank, Company shall deposit with Bank on the first (1st) day of each month hereafter until all Liabilities are fully paid, a sum equal to one-twelfth (1/12th) of one hundred (100%) percent of (i) the total annual impositions, levies, taxes and assessments arising with respect to the Mortgaged Property (collectively "Impositions") for the most recent ascertainable tax year and (ii) the total amount of annual premiums for all policies required to be obtained and maintained by Company pursuant to this Mortgage with respect to the Mortgaged Property and (iii) if required by Bank, Company shall also deposit with Bank upon execution of this Mortgage a sum sufficient as estimated by Bank to pay in full when due the next installment of any of said Impositions. Subject to the provisions of this paragraph and provided no Default or event but for the giving of notice and/or passage of time would be a Default exists, Bank shall pay, when and to whom due and payable under applicable contracts or law, all of the aforesaid Impositions and premiums. Notwithstanding the foregoing, Bank does not hereby assume any of Company's obligations under said contracts or laws to make such payments and nothing contained herein, in the Reimbursement Agreement or the other Credit Documents shall require Bank to perform any such obligations of Company except for the making of the aforesaid payments in accordance with and subject to the above specified terms. If the deposits required by this paragraph are insufficient to pay the Impositions and/or premiums for which they are provided, on or before thirty (30) days prior to delinquency, Company shall deposit with Bank such additional monies as are necessary to pay, in full, such obligations. All of the aforesaid deposits hereby are pledged, as additional security for the payment of the Liabilities and performance of the Obligations (and for such purpose, Company hereby grants to Bank a security interest therein), to be applied by Bank for the purposes hereinabove set forth and shall not be subject to the control of Company; provided, however, that Bank shall not be liable for failure to pay, when due, any such Impositions or premiums unless Company, prior to the occurrence of a Default, shall have requested Bank, in writing, to pay the same and delivered to Bank appropriate evidence of bills therefor.

4.4 All awards now or hereafter made by any public or quasi-public authority to or for the benefit of Company in any way, manner or respect affecting, arising from or relating to the Mortgaged Property, or any portion thereof, by virtue of an exercise of the right of eminent domain or condemnation by such authority (including, but not limited to, any award for taking of

title, possession or right of access to a public way, or for any change of grade of streets affecting the Mortgaged Property) hereby are, unless released absolutely by Bank, assigned to the Bank as additional security for the payment of the Liabilities (except as expended for restoration of the Mortgaged Property) and performance of the Obligations and for such purpose, Company hereby grants to Bank a security interest therein. Company, immediately upon request by Bank, shall make, execute and deliver and/or cause to be made, executed and delivered to and/or for the benefit of Bank any and all assignments and other instruments sufficient to assign, and cause the payment directly to Bank of, all such awards, free and clear of all Encumbrances except Permitted Encumbrances. Company does hereby irrevocably constitute and appoint Bank the true and lawful attorney of Company with full power of substitution of Company and Bank shall and hereby is authorized, directed and empowered to collect and receive the proceeds of any such awards from the authorities making the same and to give proper receipts therefor (in Company's name, in Bank's name or in both names). In connection with any of the foregoing received by and deposited with Bank, Bank may, in its sole and absolute discretion, (i) apply the same, or any part thereof, to the Liabilities, whether or not then matured and without affecting the amount or time of subsequent installment payments required to be made by Company to Bank under the Reimbursement Agreement; (ii) to use the same, or any part thereof, to satisfy, perform or discharge any of the Obligations; (iii) to use the same, or any part thereof, to replace, repair or restore any or all of the Mortgaged Property to a condition satisfactory to Bank in accordance with the same conditions as set forth in Paragraph 4.2(s) through (z) hereof; or (iv) to release the same to Company. Notwithstanding any taking by eminent domain, alteration of the grade of any street or other injury to or decrease in value of the Mortgaged Property by any public or quasi-public authority or corporation, Company shall continue to pay all of the Liabilities, as and when due and payable, until any such award or payment shall have been actually received by Bank, and any reduction in the Liabilities resulting from the application by Bank of such award or payment as herein set forth shall be deemed to take effect only on the date of such receipt and shall not affect the amount or time of subsequent installment payments required to be made by Company to Bank under the Reimbursement Agreement. If any portion of the Mortgaged Property is taken by eminent domain or condemnation, either temporarily or permanently, and the remaining portion of the Mortgaged Property is not, in the reasonable judgment of Bank, a complete economic unit having equivalent value to the Mortgaged Property as it existed prior to the taking, then, at the option of Bank, all Liabilities shall immediately become due and payable. If, prior to the receipt by Bank of such award or payment, the Mortgaged Property shall have been sold on foreclosure of this Mortgage, Bank shall have the right to receive such award or payment to the extent of any deficiency found to be due upon such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, and to the extent of the reasonable attorneys' fees, costs, expenses and disbursements incurred by Bank in connection with the collection of such award or payment. The power of attorney granted Bank under this paragraph shall be coupled with an interest and shall be irrevocable and same cannot be modified or altered without the written consent of Bank.

5. DUE ON SALE OR FURTHER ENCUMBRANCE

5.1 In determining whether or not to issue the Letter of Credit, Bank examined the credit-worthiness of Company, found it acceptable and relied and continues to rely upon same as the means of repayment of the Liabilities. Bank also evaluated the background and experience of Company in owning and operating property such as the Mortgaged Property, found it acceptable and relied and continues to rely thereon as the means of maintaining the value of the Mortgaged Property, which has been mortgaged to Bank to secure repayment of the Liabilities. Company is a business person or entity well-experienced in borrowing money and owning and operating property such as the Mortgaged Property, was ably represented by a licensed attorney at law in the negotiation and documentation of the Credit Documents and bargained at arm's length and without duress of any kind for all of the terms and conditions of the Credit Documents, including this Article 5. Company recognizes that Bank is entitled to keep its loan portfolio at current interest rates by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan, the security for which is purchased by a party other than the original Company. Company further recognizes that any secondary or junior financing placed upon the Mortgaged Property (a) may divert funds which would otherwise be used to pay the Liabilities; (b) could result in acceleration and foreclosure by any such junior encumbrancer which would force Bank to take measures and incur expenses to protect its security; (c) would detract from the value of the Mortgaged Property should Bank come into possession thereof with the intention of a sale thereof; and (d) may impair Bank's right to accept a deed in lieu of foreclosure, as a foreclosure by Bank would be necessary to clear the title to the Mortgaged Property.

5.2 In accordance with the foregoing and for the purposes of (i) protecting Bank's security, both of repayment by Company and of value of the Mortgaged Property; (ii) giving Bank the full benefit of its bargain and contract with Company; (iii) allowing Bank to raise the interest rate and/or collect assumption fees; and (iv) keeping the Mortgaged Property free of subordinate financing liens, Company agrees that if this Article 5, or any provision hereof, is deemed a restraint on alienation, that it is a reasonable one and that any sale, conveyance, assignment, further encumbrance or other transfer of title to the Mortgaged Property or any interest therein (whether voluntary or by operation of law) without the Bank's prior written consent shall be a Default hereunder. For the purpose of and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events (hereinafter referred to as a "Prohibited Transfer"), at Bank's option, shall be deemed to be a Default hereunder:

(a) Any sale, disposition (other than a sale or disposition of any Equipment no longer useful in connection with the operation of the Premises, provided that prior to the sale or other disposition thereof such Equipment has been replaced by other Equipment of at least equal value and utility which is subject to the lien of this Mortgage with the same priority as the Equipment so sold or disposed of), conveyance, assignment, mortgage or other transfer of, or the grant of a security interest in, all or any part of the Mortgaged Property, or the entering into any agreement to sell, convey, assign or transfer, or grant a

security interest in all or any part of the Mortgaged Property, or any other act which has the effect of transferring legal or equitable title to all or any part of the Mortgaged Property or Company's interest therein.

(b) Any lease of substantially all of the Mortgaged Property to a single tenant, or to a group of affiliated tenants, or the lease of any portion of the Mortgaged Property which includes any option to purchase or otherwise acquire any portion of the Mortgaged Property.

(c) The granting of any option to acquire all or any part of the Mortgaged Property.

(d) If Company is general partnership, any removal of any general partner, any addition of any general partner, the sale, assignment, transfer, conveyance, hypothecation, pledge, grant of a security interest in, by any general partner, of any of his right, title or interest in the Company, including his right to income, profits or distributions, and whether absolute, contingent, or for collateral purposes.

(e) If Company is limited partnership, any removal of any general or limited partner, any addition of any general or limited partner, the sale, assignment, transfer, conveyance, hypothecation, pledge, grant of a security interest in, by any general or limited partner, of any of his right, title or interest in the Company, including his right to income, profits or distributions, and whether absolute, contingent, or for collateral purposes.

(f) If Company is corporation, any merger or consolidation involving Company, whether or not Company is the survivor to any such merger or consolidation, or the sale or issuance of any capital stock or membership interest, or of any security convertible into capital stock, of the Company, or the issuance by the Company of any right, option or warrant to purchase or otherwise acquire capital stock or membership interest, or the sale, conveyance, assignment, or other transfer of, or the grant of a security interest by any holder of capital stock of or membership interest in the Company in any such capital stock of or membership interest in the Company.

(g) If Company is trust, the removal of any trustee or beneficiary, any addition of any trustee or beneficiary, the sale, assignment, transfer, conveyance, hypothecation, pledge, grant of a security interest in, by any beneficiary, of any of his right, title or interest in the Company, including his right to income, profits or distributions, and whether absolute, contingent, or for collateral purposes.

(h) If Company is a corporation, partnership or trust, and if any of its shareholders, members, partners or beneficiaries is not a natural person, then any act by any person which, if such person were the Company or a partner, shareholder, beneficiary or trustee of the Company, would constitute an Event of Default hereunder.

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Provided that any transfer of any interest of any individual stockholder, shareholder or member of Company as described above shall not be considered a Prohibited Transfer if said transfer is (a) to said parties' heirs, legacies, devisees, executors, administrators or personal representatives as a result of the death or judicially declared incompetence of said party or (b) a transfer of shares between the two (2) shareholders of Company who hold all of the issued and outstanding stock of Company as of the date hereof. Any consent by the Bank to any of the foregoing, or any waiver of a Default resulting from the commission of any of the foregoing, shall not constitute a consent to, or waiver of any right, remedy or power of the Bank upon a subsequent transaction under this Article 5. Company shall, from time to time, and upon the reasonable request of Bank, provide Bank with evidence satisfactory to Bank, that this Article 5 has not been violated. Such evidence shall include, but shall not be limited to, copies of partnership and trust documents, stock records, certificates of membership, title searches and abstracts of public records. Bank shall also have the right, from time to time, to obtain such title searches and abstracts of public records, and Company shall reimburse Bank, upon demand, for all costs thereof, which shall be a part of the Liabilities hereunder.

5.3 If Company requests Bank's consent to any further encumbering of the Mortgaged Property pursuant to Paragraph 5.2(a) ("Proposed Financing"), and Bank consents to the further encumbering, Company shall deliver to Bank evidence of the terms of the Proposed Financing. For a period of thirty (30) days after receipt of such information, Bank may commit to make Company a new loan (or additional advance hereunder) on the same terms and conditions as the Proposed Financing. Upon issuance of a commitment by Bank, Company shall, in good faith, proceed to consummate such transaction with Bank.

6. ASSIGNMENT OF LEASES AND RENTS

6.1 So long as there shall not have occurred a Default under this Mortgage, Company shall have the right to collect all of the Rents arising from the Leases or renewals thereof, and shall hold the same, in trust, to be applied first to the payment of all impositions, levies, interest, assessments and other charges upon the Mortgaged Property, secondly to the cost of the maintenance of insurance policies upon the Mortgaged Property required hereby, thirdly to the maintenance and repairs required hereby and lastly to the payment of the Liabilities and fulfillment of the Obligations, before using any part of the Rents for any other purposes.

6.2 Bank's agents shall have the right to verify the validity, amount or any other matter relating to any or all of the Leases, by mail, telephone, telegraph or otherwise, in the name of Bank, a nominee of Bank or in any or all of said names.

6.3 Upon the occurrence or existence of a Default, Bank, at its sole election and discretion, may do or require Company to do any one or more of the following:

- (a) Company's right to use the Rents is terminated and upon written notice to

Company any Rents then or thereafter coming into Company's possession are (to the extent the Liabilities remain due and owing to Bank and the Obligations remain unfulfilled) to be held in trust by Company for the benefit of Bank in a segregated manner and immediately delivered to Bank, and Company shall have no rights to use the Rents for any purpose whatsoever without the prior written consent of Bank.

(b) To the extent permitted by applicable law and provided same can be done without a breach of the peace, Bank may, without notice and without bringing any action or proceeding or by a receiver appointed by a court, take possession of the Mortgaged Property and have, hold, manage, lease and operate the Mortgaged Property on such terms and for such period of time as Bank may deem proper. Bank shall not be liable for any loss sustained by Company resulting from Bank's failure to lease portions of the Mortgaged Property or from any other act or omission of Bank in managing the Mortgaged Property.

(c) Immediately upon demand by Bank, Company shall deliver to Bank the originals of the Leases, with appropriate endorsement and/or other specific evidence of assignment thereto to Bank which endorsement and/or assignment shall be in form and substance acceptable to Bank.

(d) Bank, then or at any time or times thereafter, at its sole election, without notice thereof to Company, may notify any or all of the obligors on the Leases that the Leases have been assigned to Bank and Bank (in its name, in the name of Company or in both names) may direct said obligors thereafter to make all payments due from them under the Leases directly to Bank.

(e) Company, immediately upon demand by Bank, irrevocably shall direct all obligors of the Leases then and thereafter to make all payments then and thereafter due from them under the Leases directly to Bank.

(f) Bank shall have the right at any time or times thereafter, at its sole election, without notice thereof to Company, to enforce the terms of the Leases and obtain payment of and collect the Rents, by legal proceedings or otherwise, in the name of Company, Bank or in both names.

(g) Company irrevocably hereby designates, makes, constitutes and appoints Bank (and all persons designated by Bank) as Company's true and lawful attorney and agent in fact with power, without notice to Company and at such time or times thereafter as Bank, at its sole election, may determine, in the name of Company, Bank or in both names: (i) to demand payment of the Rents and performance of the Leases; (ii) to enforce payment of the Rents and performance of the Leases, by legal proceedings or otherwise; (iii) to exercise all of Company's rights, interests and remedies in and under the Leases and to collect the Rents; (iv) to settle, adjust, compromise, extend or renew the Leases and/or the Rents; (v) to settle, adjust or compromise any legal proceeding brought to

collect the Rents or obtain performance of the Leases; (vi) to take control, in any manner, of the Rents; (vii) to prepare, file and sign Company's name on any proof of claim in bankruptcy, or of the Leases; (viii) to endorse the name of Company upon any payments or proceeds of the Rents and to deposit the same to the account of Bank; and (ix) to do all acts and things necessary, in Bank's sole discretion, to carry out any or all of the foregoing. The power of attorney granted Bank under this paragraph shall be coupled with an interest and shall be irrevocable and same cannot be modified or altered without the written consent of Bank.

(h) All of the foregoing payments and proceeds received by Bank shall be utilized by Bank, at its sole election in its sole discretion, for any one or more of the following purposes: (i) to be held by Bank as additional collateral for the payment of the Liabilities and fulfillment of the Obligations; (ii) to be applied to the Liabilities and/or Obligations, in such manner and fashion and to such portions thereof as Bank, at its sole election, shall determine; (iii) to be applied to such obligations of Company or the Mortgaged Property or the operations or business thereof as Bank, at its sole election, shall determine appropriate or warranted under the then existing circumstances; or (iv) to be remitted to Company.

6.4 The rights and remedies of Bank contained in this Article 6 are cumulative and are not in derogation of, secondary to or in lieu of but are in addition to any rights or remedies which the Bank shall have under the Assignment of Rents or any other Credit Document or any other instrument or document or under applicable law and the exercise of any rights or remedies herein contained shall not be deemed a waiver of any other rights or remedies of Bank each and all of which may be exercised whenever Bank deems it in its interest to do so.

7. SECURITY AGREEMENT AND FINANCING STATEMENT.

7.1 This Mortgage shall constitute a security agreement within the meaning of the Code with respect to all sums on deposit with the Bank pursuant to terms hereof or otherwise ("Deposits") and with respect to any property included in the definition herein of the words "Mortgaged Property", which property is neither real property nor a "fixture" (within the meaning of Section 9-313 of the Code), and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof (collectively, the "Other Collateral"), and Company hereby grants to Bank a security interest therein.

7.2 Upon a Default, the Bank, pursuant to the appropriate provisions of the Code, shall have the option to proceed with respect to both the real property and Other Collateral in accordance with its rights, powers and remedies with respect to the real property, in which event the default provisions of the Code shall not apply. Bank shall have the remedies of a secured party under the Code, including without limitation, the right to take immediate and exclusive possession of the Other Collateral, or any part thereof, and for that purpose may, so far as Company can give authority therefor, with or without judicial process, enter (if this can be done

without breach of the peace), upon any place where the Other Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Other Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Bank shall be entitled to hold, maintain, preserve and prepare the Other Collateral for sale, until disposed of. Bank may render the Other Collateral unusable without removal and may dispose of the Other Collateral on the Premises. Bank may require Company to assemble the Other Collateral and make it available to Bank for its possession at a place to be designated by Bank which is reasonably convenient to both parties. Bank may buy at any public sale. Bank may buy at private sale if the Other Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations. Any such sale may be held in conjunction with any foreclosure sale of the Premises. If Bank so elects, the Premises and the Other Collateral may be sold as one lot. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling and the reasonable attorney's fees and legal expenses incurred by Bank, shall be applied against the Liabilities and Obligations in such order or manner as Bank shall select. Company agrees that if the Bank shall elect to proceed with a sale with respect to the Other Collateral separately from the Premises, any requirement of the Code for reasonable notice shall be met if such notice is made in accordance with the terms of this Mortgage at least ten (10) days prior to the time of sale. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by the Bank shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Bank. Bank shall not be obligated to make any sale of the Other Collateral regardless of notice having been given. The Bank may adjourn any public or private sale from time to time by announcement at the time and place fixed therefore and such sale may, without further notice, be made at the time and place to which it is adjourned. The Company agrees that upon replacement of any part of the Other Collateral, such replacement or substituted Other Collateral shall be subject to the security interest created hereby and the security interest of the Bank shall be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the Other Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby. The Company shall, from time to time, on request of the Bank, deliver to the Bank at the cost of the Company: (i) such further financing statements and security documents and assurances as Bank may require, to the end that the liens and security interests created hereby shall continue perfected in accordance with the requirements of any present or future law and (ii) an inventory of the Other Collateral in reasonable detail. The Company covenants and represents that all of the Other Collateral now is, and that all replacements thereof, substitutions therefor or additions thereto, unless the Bank otherwise consents, will be free and clear of liens, encumbrances, title retention devices and security interests of others and that no financing statement other than one in favor of Bank shall be executed and/or filed in connection therewith.

7.3 This Mortgage is intended to be a financing statement within the purview of Section 9-402(6) of the Code with respect to the Other Collateral and the goods described herein, which goods are or may become fixtures relating to the Premises. The addresses of Company and Bank are hereinabove set forth. This Mortgage is to be filed for record with the Recorder of Deeds of the County or Counties where the Premises are located. Company is the record owner

of the Premises.

8. ENVIRONMENTAL MATTERS

8.1 The Company represents and warrants to Bank that (A) the Company has not used any "Hazardous Materials" (as defined below) on, from or affecting the Mortgaged Property in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Material and, to the best of Company's knowledge, no prior owner of the Mortgaged Property or any existing or prior tenant, or occupant has used Hazardous Materials on, from or affecting the Mortgaged Property in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production, registration, reporting or disposal of Hazardous Materials; (B) Company has never received any notice of any violations (and is not aware of any existing violations) of federal, state, or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment transportation, manufacture, refinement, handling, production, registration, reporting or disposal of Hazardous Materials at the Mortgaged Property and, to the best of Company's knowledge, there have been no actions commenced or threatened by any party for noncompliance which affects the Mortgaged Property; (C) Company shall keep or cause the Mortgaged Property to be kept free of all underground and/or above ground storage tanks except to the extent that such underground and/or above ground storage tanks do not leak on and/or into the Mortgaged Property and are used in compliance with all applicable federal, state and local laws and regulations; (D) Company shall keep or cause the Mortgaged Property to be kept free of all Hazardous Materials except to the extent that such Hazardous Materials are stored and/or used in compliance with all applicable federal, state and local laws and regulations; and, without limiting the foregoing, Company shall not cause or permit the Mortgaged Property to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall Company cause or permit, as a result of any intentional or unintentional act or omission on the part of Company or any tenant, subtenant or occupant, a release, spill, leak or emission of Hazardous Materials onto the Mortgaged Property or onto any other contiguous property; (E) the Company shall conduct and complete all investigations, including a comprehensive environmental audit, studies, sampling, and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on, under, from or affecting the Mortgaged Property as required by Bank or by all applicable federal, state and local laws, ordinances, rules, regulations and policies, to the satisfaction of Bank, and in accordance with the orders and directives of all federal, state and local governmental authorities. If the Company fails to conduct an environmental audit required by the orders and directives of any of the aforesaid governmental authorities or required by Bank, then Bank may at its option and at the expense of Company, conduct such environmental audit.

8.2 Subject to the limitations set forth below, Company shall defend with counsel

reasonably acceptable to Bank (at Company's sole cost), indemnify and hold harmless Bank, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses, including, without limitation, reasonable attorney's and consultant's fees, investigation and laboratory fees, court costs and litigation expenses, known or unknown, contingent or otherwise, arising out of or in any way related to (a) the presence, disposal, remediation of, release or threatened release of any Hazardous Materials on, over, under, from or affecting the Mortgaged Property or the soil, water, vegetation, buildings, personal property, persons or animals located thereon; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials on the Mortgaged Property; (c) any lawsuit or administrative proceeding brought or threatened, settlement reached or government order relating to such Hazardous Materials with respect to the Mortgaged Property; and/or (d) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of Bank, which are based upon or in any way related to such Hazardous Materials used in the Mortgaged Property; and (e) the presence on or under the Premises of underground or above ground storage tanks. Company, and its successors and assigns, hereby waive, release and agree not to make any claim or bring any cost recovery action against Bank under Environmental Law now existing or hereafter enacted. It is expressly understood and agreed that to the extent that Bank is strictly liable under any Environmental Laws, the Company's obligations to Bank under this paragraph shall likewise be without regard to fault on the part of the Company with respect to the violation or condition which results in liability to Bank. If Bank takes title to the Mortgaged Property through foreclosure or deed in lieu of foreclosure, the indemnity contained in this paragraph shall not apply to any loss or costs incurred by Bank as a direct result of affirmative actions of Bank as owner and operator of the Mortgaged Property after Bank has acquired title and which actions are the sole and direct cause of damage resulting from the introduction and initial release of a Hazardous Material at the Mortgaged Property by Bank; provided, however, Company's agreement to indemnify and hold harmless Bank as described herein shall otherwise remain in full force and effect, including, without limitation, with respect to Hazardous Materials which are discovered or released at the Mortgaged Property after Bank acquired title to the Mortgaged Property, but which were not actually introduced at the Mortgaged Property by Bank, with respect to the continuing migration or release of Hazardous Material previously introduced at or near the Mortgaged Property and with respect to all substances which may be Hazardous Materials and which are situated at the Mortgaged Property prior to Bank taking title but are removed by Bank subsequent to such date.

8.3 Company agrees that in the event this Mortgage is foreclosed or the Company tenders a deed in lieu of foreclosure, Company shall, at Company's sole cost and expense and in accordance with all applicable Environmental Laws, deliver the Mortgaged Property to Bank free of any and all Hazardous Materials (a) which are then required to be removed (whether over time or immediately) pursuant to applicable federal, state and local laws, ordinances, rules or regulations affecting the Premises or (b) which may be legally allowed to remain on the Mortgaged Property but which Hazardous Materials Bank deems it prudent to remove or remediate.

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8.4 For purposes of this Mortgage, "Hazardous Materials" includes, without limitation, petroleum, petroleum by-products, asbestos, polychlorinated biphenyls, flammable explosives, radioactive materials, oil and petroleum products, natural gas, natural gas liquids, liquified natural gas, synthetic gas usable for fuel, gasoline, and all other hazardous materials, hazardous wastes, hazardous or toxic substances, toxic pollutants, hazardous air pollutants or related materials as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601, et seq., the Hazardous Materials Transportation Act, as amended, 49 U.S.C. Sections 6901, et seq., the Toxic Substances Control Act, as amended, 15 U.S.C. Sections 2601, et seq.; the Federal Insecticide Fungicide and Rodenticide Act, as amended, 7 U.S.C. Sections 136, et seq.; the Resource Conservation and Recovery Act, as amended, 16 U.S.C. Sections 3401, et seq.; the Clean Water Act, 33 U.S.C. 1251 et seq.; and the Clean Air Act, 42 U.S.C. 7401 et seq.; and all applicable state and local environmental laws, and the rules, regulations and ordinances adopted and publications promulgated pursuant to said laws and ordinances, as any of the foregoing laws, ordinances, rules and regulations may be amended from time to time, and any other federal, state or local laws or ordinances, now or hereafter existing, relating to regulation or control of toxic or hazardous substances, wastes or materials (all the foregoing being referred to herein as the "Environmental Laws").

8.5 The provisions of this Article 8 shall be in addition to any and all other obligations and liabilities Company may have to Bank under any of the other Credit Documents, and in common law, and shall survive (a) the repayment of all Liabilities, (b) the satisfaction of all of the Obligations, (c) the discharge or release of this Mortgage, and (d) the foreclosure of this Mortgage or acceptance of a deed in lieu of foreclosure. The rights and remedies of Bank contained in this Article 8 are cumulative and are not in derogation of, secondary to or in lieu of but are in addition to any rights or remedies which the Bank shall have under any other Credit Document or under applicable law and the exercise of any rights or remedies herein contained shall not be deemed a waiver of any other rights or remedies of Bank each and all of which may be exercised whenever Bank deems it in its interest to do so.

9. DEFAULT

9.1 The occurrence of any one or more of the following events shall constitute a "Default" under this Mortgage:

(a) Failure to timely pay any of the Liabilities when due or declared due pursuant to the Reimbursement Agreement or any of the other Credit Documents.

(b) Failure of Company to fully and faithfully satisfy, perform, discharge, observe and comply with the Obligations to be performed by Company and such failure shall remain unremedied for thirty (30) days after written notice thereof shall have been made by Bank to Company.

(c) If any representation or warranty made herein, in the Reimbursement Agreement, any of the other Credit Documents, or in any certificate, document, financial or other statement furnished at any time to Bank under or in connection with the Credit Documents shall prove to have been incorrect, incomplete or misleading in any material respect on or as of the date made or deemed made.

(d) The occurrence of a Prohibited Transfer as defined under Article 5.

(e) A petition in bankruptcy is filed by or against Company seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any law relating to bankruptcy or insolvency (and in the case of an involuntary petition, such petition is not discharged within sixty (60) days of its filing), or Company seeks or consents to or acquiesces in the appointment of any custodian, receiver, trustee, master or liquidator of itself or of all of the rent, revenues, issues, earnings, profits or incomes of Company to, or of the Mortgaged Property is appointed, or if Company makes an assignment for the benefit of creditors, or if Company is adjudged insolvent by any state or federal court of competent jurisdiction, or an attachment or execution is levied against any of the Mortgaged Property and is not discharged within sixty (60) days from the commencement thereof. If Company is a partnership, then for purposes of this subparagraph, the term "Company" shall also include each general partner of Company.

(f) The occurrence or existence of an Event of Default as defined in the Reimbursement Agreement, or in any of the other Credit Documents.

(g) The occurrence or existence of any default, event of default or breach of or under any agreement, instrument or document, subject to any applicable grace or cure period contained therein, for borrowed money by which the Mortgaged Property or the Company is bound or obligated.

(h) A substantial part of Company's assets are attached, seized, subject to a writ or distress warrant or are levied upon, unless such writ, warrant or levy is vacated within thirty (30) days. If Company is a partnership then for the purposes of this subparagraph, the term Company shall also include each general partner of Company.

(i) A materially adverse change in the financial condition of Company.

10. REMEDIES

10.1 Upon the occurrence or existence of a Default, Bank, after notice and demand insofar as required hereby, or by applicable law, in its sole discretion and at its sole election, without notice of such election, and without further demand, may do any one or more of the following:

(a) Exercise any right or remedy set forth in any other Article of this Mortgage, or in the Reimbursement Agreement, or in any of the Credit Documents including without limitation the right to serve notice upon the Trustee to cause a mandatory tender or an acceleration of the Bonds.

(b) If the Default is the failure to perform any of the Obligations, to perform any such Obligation on Company's behalf, and any amounts paid by Bank in taking such action, together with interest thereon at the Default Rate, from the date of Bank's payment thereof until repaid by Company to Bank, shall be due and payable by Company to Bank upon demand, and, until paid, shall constitute a part of the Liabilities secured by this Mortgage and bear interest at the Default Rate. Notwithstanding the foregoing, such advances by Bank shall not be deemed to relieve Company from a Default hereunder or impair any right or remedy of Bank consequent thereon. The exercise of the right to take such action shall be optional with Bank and not obligatory upon Bank and Bank shall not in any case be liable to Company for failure or refusal to exercise any such right. In making any payments pursuant to the exercise of any such right, Bank shall have no obligations to inquire into the validity of the bill, or to contest the bill or amount thereof, and may rely upon any bills delivered to it by Company or any payee and shall not be liable for any failure to make payments in any amounts other than as set forth in any such bills.

(c) Declare all of the Liabilities immediately due and payable and collect the same at once by foreclosure or otherwise, without notice of broken covenants or condition (and in case of a Default and the exercise of such option, the Liabilities shall bear interest, from the date of such default, at the Default Rate until paid in full).

(d) File a suit for the foreclosure of this Mortgage and/or to collect the Liabilities in accordance with the Illinois Mortgage Foreclosure Act, (735 ILCS 5/15 1101) (the "Act").

(e) Bank shall have the right, either before or after sale, without notice and without requiring bond (notice and bond being hereby waived), without regard to the solvency or insolvency of Company at the time of application and without regard to the then value of the Mortgaged Property or whether the same is then occupied, to make or require Company to make application for and obtain the appointment of a receiver for the Mortgaged Property. Such receiver shall have the power to collect the Rents during the pendency of such suit and, in case of a sale and a deficiency, during the full statutory period of redemption if any, as well as during any further times when Company, except for the intervention of such receiver, would be entitled to collect the Rents, and shall have all other powers which may be necessary or usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property. The court before which such suit is pending may from time to time authorize the receiver to apply the net income in his hands in payment, in whole or in part, of the Liabilities and Obligations.

(f) To the extent permitted by applicable law and provided same can be done without a breach of the peace, enter upon and take immediate possession of the Mortgaged Property, expel and remove any persons, goods or chattels occupying or upon the same, receive all Rents, and issue receipts therefor, manage, control and operate the Mortgaged Property as fully as Company might do if in possession thereof, including without limitation, the making of all repairs and replacements deemed necessary by Bank and the leasing of the same, or any part thereof, from time to time, and, after deducting all reasonable attorneys' fees and all costs and expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property, apply the remaining net income, if any, to the Liabilities and Obligations or upon any deficiency decree entered in any foreclosure proceeding or after a sale hereunder. At the option of Bank, to the extent permitted by law, such entry and taking of possession shall be accomplished either by actual entry and possession or by written notice served personally upon or sent by registered mail to the Company at the address of Company last appearing on the records of Bank. Company agrees to surrender possession of the Mortgaged Property to Bank immediately upon the occurrence of a Default. If Company shall remain in physical possession of the Mortgaged Property, or any part thereof, after any such Default, such possession shall be as a tenant of Bank, and Company agrees to pay to Bank, or to any duly appointed receiver, after such Default, a reasonable monthly rental for the Mortgaged Property, or the part thereof so occupied by the Company, to be applied as provided above in the first sentence of this subparagraph, and to be paid in advance on the first day of each calendar month, and, in default of so doing, Company may be dispossessed by the usual summary proceedings. In the event Company shall so remain in possession of all, or any part of, the Mortgaged Property, said reasonable monthly rental shall be in amounts established by Bank in its sole discretion. This covenant shall be effective irrespective of whether any foreclosure proceeding shall have been instituted and irrespective of any application for, or appointment of, a receiver.

(g) Exercise, in Bank's sole discretion, all rights of Company under all Licenses and to retain, use and enjoy same or sell, assign or transfer same (with appropriate governmental consent where necessary) in connection with the enforcement of Bank's rights and remedies under this Mortgage.

(h) Exercise of any other remedies or rights permitted or provided under or by the laws or decisions of the State of Illinois (including all remedies and rights of a secured party under the Code), accruing to a secured party upon a default by a borrower and/or debtor or otherwise available hereunder, under the Reimbursement Agreement, under any of the other Credit Documents, or provided by applicable statute or case law, and whether exercisable at law or in equity. Nothing contained in this Mortgage shall be construed as constituting Bank a mortgagee in possession in the absence of the actual taking of possession of the Premises.

10.2 In any suit to foreclose the lien hereof, there shall be allowed and included as additional Liabilities due from Company to Bank in the decree of sale, all reasonable

expenditures and expenses which may be paid or incurred by or on behalf of Bank for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Bank may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Mortgaged Property, and any other expenses and expenditures which may be paid or incurred by or on behalf of Bank and permitted by the Act to be included in such decree. All expenditures and expenses of the nature mentioned in this Paragraph, and such other expenses and fees as may be incurred in the protection of the Mortgaged Property and income therefrom and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by Bank in any litigation or proceedings affecting this Mortgage, the Reimbursement Agreement or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Liabilities and shall be immediately due and payable by Company, with interest thereon at the Default Rate until paid.

10.3 The proceeds of any foreclosure sale of the Mortgaged Property shall be applied and distributed, first, on account of the fees, charges, costs and expenses described in Paragraph 10.2 above, secondly, to the balance of the Liabilities and Obligations, and thirdly, the surplus, if any, to Company.

10.4 All rights and powers of Bank under Article 10 hereof shall, from and after the entry of judgment of foreclosure, continue in the Bank as decree creditor until confirmation of sale. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any policy, if not applied in rebuilding or restoring the Mortgaged Property, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. The foreclosure decree may provided that the mortgagee's clause attached to each of the policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said decree creditors. In the event of foreclosure sale, Bank may, without the consent of Company, assign any policies to the purchaser at the sale, or take such other steps as Bank may deem advisable to protect the interest of such purchaser.

10.5 To the full extent permitted by law, Company agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, nor take any advantage of any law nor or hereafter in force providing for the valuation or appraisalment of the Mortgaged Property, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or claim or exercise any rights under any statute now or hereafter in force to redeem the property or any part thereof, or relating to the marshalling thereof, on foreclosure sale or other enforcement hereof. To the full extent permitted by law, Company hereby expressly waives any and all rights

it may have to require that the Mortgaged Property be sold as separate tracts or units in the event of foreclosure. To the full extent permitted by law, Company hereby expressly waives any and all rights to redemption and reinstatement under the Act, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Company and on behalf of each and every person acquiring any interest in or title to the Mortgaged Property subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Company and such other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Company agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Bank, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Company hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Reimbursement Agreement. Company acknowledges that the Premises do not constitute agricultural real estate as defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act.

10.6 In case of Default either before or after acceleration of the Liabilities or the foreclosure of the lien hereof, Bank may, but shall not be required to, make any payment or perform any act herein required of Company (whether or not Company is personally liable therefor) in any manner deemed expedient to Bank. Bank may, but shall not be required to, complete construction, furnishing and equipping of any improvements to the Premises and rent, operate and manage the Mortgaged Property and pay operating costs, including management fees, of every kind in connection therewith, so that the Mortgaged Property shall be usable for its intended purposes. All such monies paid and expenses incurred, including reasonable attorneys' fees, shall be so much additional Liabilities, whether or not the Liabilities, as a result thereof, shall exceed the face amount of the Letter of Credit, and shall become immediately due with interest thereon at the Default Rate. Inaction of Bank shall never be considered as a waiver of any right accruing to it on account of any Default nor shall the provisions of this paragraph or any exercise by Bank of its rights hereunder prevent any default from constituting a Default. Bank, in making any payment hereby authorized (a) relating to taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the Mortgaged Property or the rental, operation or management of the Mortgaged Property or the payment of operating costs thereof, may do so in such amounts and to such persons as Bank may deem appropriate. Nothing contained herein shall be construed to require Bank to advance monies for any purpose.

10.7 The rights and remedies of Bank hereunder are cumulative and are not in derogation of, secondary to or in lieu of but are in addition to any rights or remedies which the

Bank shall have under the Reimbursement Agreement or any other Credit Document or any other instrument or document or under applicable law and the exercise by Bank of any rights and remedies herein contained shall not be deemed a waiver of any other rights or remedies of Bank, whether arising under the Mortgage, the Credit Documents or otherwise, each and all of which may be exercised whenever Bank deems it in its interest to do so. The rights and remedies of the Bank may be exercised from time to time and as often as such exercise is deemed expedient and the failure of the Bank to enforce any of the terms, provisions and conditions of this Mortgage for any period of time, at any time or times, shall not be construed or deemed to be a waiver of any rights under the terms hereof.

10.8 In case Bank shall have proceeded to invoke any right, remedy or recourse permitted hereunder, under the Reimbursement Agreement or under any of the Credit Documents, and shall thereafter elect to discontinue or abandon the same for any reason, Bank shall have the unqualified right so to do and, in such event, Bank and Company shall be restored to their former positions and otherwise, and the rights, remedies, recourses and power of Bank shall continue as if same had never been invoked.

10.9 Upon and after the occurrence of a Default, Bank shall not be obligated to accept and cure or attempted cure by Company, except to the extent required by applicable law.

11. MISCELLANEOUS

11.1 Any failure of Bank to insist upon the strict performance by Company of any of the terms and provisions of this Mortgage, the Reimbursement Agreement or the other Credit Documents shall not be deemed to be a waiver of any of the terms and provisions thereof, and Bank, notwithstanding any such failure, shall have the right at any time or times thereafter to insist upon the strict performance by Company of any and all of the terms and provisions thereof to be performed by Company.

11.2 Bank, without notice, may release, regardless of consideration, any part of the security held for the Liabilities and Obligations, (including, without limitation, any guarantor) without, as to the remainder of the security therefor, in any way impairing or affecting the lien of this Mortgage or the priority of such lien over any subordinate lien. Bank may resort for the payment of the Liabilities and performance of the Obligations to any other security therefor held by the Bank in such order and manner as Bank may elect.

11.3 Every provision for notice, demand or request required in this Mortgage or by applicable law shall be deemed fulfilled by written notice, demand or request personally served on (or mailed to, as hereinafter provided) the party entitled thereto or on its successors or assigns. If mailed, such notice, demand or request shall be made by certified or registered mail, and deposited in any post office station or letter-box, enclosed in a postage paid envelope addressed to such party at its address set forth below or to such other address as either party shall direct by like written notice and shall be deemed to have been made on the third (3rd) day after

posting as aforesaid. If sent by commercial courier which guarantees next day delivery, such notice, demand or request shall be deemed to have been made on the first (1st) business day after delivery to the courier, with fee paid and next day delivery designated. For purposes herein, notices shall be sent to Company and Bank as follows:

To Company:

American College of Occupational
and Environmental Medicine
55 West Seegers Road
Arlington Heights, IL 60005-3919
Attention: E. Eugene Handley

with a courtesy copy to:

Vedder Price Kaufman & Kammholz
222 North LaSalle Street
Suite 2600
Chicago, Illinois 60601
Attention: Shawn S. Magee

To Bank:

American National Bank and
Trust Company of Chicago
21 Randall Street
Elk Grove Village, Illinois 60007
Attention: Kevin Bolger

with a courtesy copy to:

Schwartz & Freeman
401 North Michigan Avenue
Suite 1900
Chicago, Illinois 60611
Attention: John T. Duax

or at such place or to such other person as any party may by notice in writing designate in the manner described above as a place for the service of notice. Failure to deliver courtesy copies shall not affect the validity of service between the parties.

11.4 All the covenants contained in this Mortgage will run with the land and be binding on any successor owner of the land.

11.5 Company, promptly upon written request by Bank, at Company's sole expense, will or will cause to be made, executed and delivered to Bank, in form and substance acceptable to Bank, all documents and instruments that Bank is reasonably advised are and/or reasonably deems necessary or appropriate to evidence, document or conclude the transactions described in and/or contemplated by this Mortgage, the Reimbursement Agreement or the other Credit Documents or required to perfect or continue perfected, as valid encumbrances, the encumbrances granted herein or in the other Credit Documents by Company to Bank, upon the Mortgaged Property.

11.6 This Mortgage and all provisions hereof shall be binding upon the Company, its successors, assigns, executors, administrators and legal representatives and all other persons or entities claiming under or through Company. The word "Bank," when used herein, shall include Bank's successors, assigns, and legal representatives.

11.7 This Mortgage shall be governed by the laws (without giving effect to the conflicts of laws principles thereof) of the State of Illinois in which State the Reimbursement Agreement and this Mortgage were executed and delivered, the Mortgaged Property is located and the principal and interest due under the Reimbursement Agreement are to be paid. Wherever possible each provision of this Mortgage shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provisions of this Mortgage shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage. Time is of the essence of this Mortgage. Except as specifically set forth herein, whenever pursuant to this Mortgage Bank exercises any right given to it to approve or disapprove, or any arrangement or term is to be satisfactory to Bank, the decision of Bank to approve or disapprove or to decide the arrangement or terms are satisfactory or not satisfactory shall be in the sole discretion of Bank and shall be final and conclusive. Neither this Mortgage nor any provision hereof may be amended, modified, waived or discharged orally. Company specifically acknowledges that Company has had an opportunity to review this Mortgage with Company's legal counsel and after said review understands the legal meaning and legal consequences of the provisions contained herein. Bank shall not have any obligation to extend the expiration date of the Letter of Credit or to extend further credit thereafter to Company.

11.8 As used herein, the term "Default Rate" shall mean the Default Rate as defined in the Reimbursement Agreement.

11.9 Nothing herein shall be deemed or construed, nor shall the exercise by Bank of any rights, privileges or remedies conferred under this Mortgage, the Reimbursement Agreement or the other Credit Documents, render Bank and Company liable as joint venturers or partners in any way with respect to the Mortgaged Property.

11.10 The captions, titles and headings used in this Mortgage are inserted for convenience only, and shall not be construed in any way to limit or define the content, scope or intent of the provisions thereof.

11.11 No offset, claim, set-off right (including any such right which may be reduced to judgment) shall relieve Company of its obligations hereunder to pay the Liabilities and to perform the Obligations. Company consents and agrees that any claim or right which it may have against Bank it shall collect or assert only in an action separate from this Mortgage, and not as an offset, set-off, counterclaim or reduction of any amounts due hereunder, under the Reimbursement Agreement or under any of the other Credit Documents.

11.12 Bank shall have the right to set off against any amount due and owing hereunder, or under the Reimbursement Agreement or any of the other Credit Documents, any amount in Bank's possession which is owned by, or due to, Company (either in its individual capacity or as a joint tenant); provided, however, that Bank shall not be required to set off any such amount, and in no event shall the ability of Bank to set off any such amount be deemed to constitute payment of any amount unless and until such set off shall have actually been made.

11.13 All Deposits of any nature and kind delivered and held by Bank pursuant to the terms of this Mortgage may be commingled with other funds of Bank and Company shall not be entitled to any earnings or interest on said Deposits.

11.14 Bank shall be subrogated for its further security to the lien, whether or not released of record, of any and all encumbrances which were paid or discharged from the proceeds of the Bonds, from any of the Future Advances, as hereafter defined, and from any funds which, pursuant to the terms hereof, should have been paid to Bank; provided, however, that such subrogation shall not amend any of the terms and provisions hereof, or in any manner change the obligations of Company to Bank hereunder.

11.15 If the Mortgaged Property is not managed by the Company, then it shall be managed by a property manager or property management company and leased by a leasing company. The identity of said property management company and/or leasing company and the terms of any management or leasing contract or subcontract must be approved by Bank and Company shall not execute any such contract prior to obtaining the written consent of Bank thereto which consent shall not be unreasonably withheld, conditioned or delayed. The Mortgaged Property shall at all times be managed in a manner reasonably satisfactory to Bank. Any management contract or subcontract entered into for the Mortgaged Property shall contain provisions that (i) the contract may be terminated upon two (2) days' prior written notice by Bank, at its option, if Bank or its successors and assigns acquires the Mortgaged Property by foreclosure of this Mortgage, by deed in lieu thereof or otherwise or upon the occurrence or existence of a Default hereunder and (ii) provide that the lien if any of said manager in and to the Mortgaged Property for any amount due under said management contract shall be subject and subordinate to the lien granted to Bank under this Mortgage.

11.16 The Company covenants and agrees that, this Mortgage constitutes a "Construction Mortgage" within the meaning of the Code. All advances and indebtedness arising or accruing under the Credit Agreement from time to time, whether or not the total amount thereof may exceed the face amount of the Letter of Credit, shall be secured hereby to the same

extent as though said Credit Agreement were fully incorporated in this Mortgage.

11.17 This Mortgage secures not only the Liabilities, but all advances hereafter made by Bank to or for the benefit of Company (the "Future Advances"), including, without limitation, any amounts advanced by Bank in satisfying, on Company's behalf, any of the Obligations, and any advances made by Bank to protect its security, and any other advances by Bank which shall not, in the aggregate exceed two hundred (200%) percent of the face amount of the Letter of Credit as of the date hereof.

11.18 If the payment of the Liabilities or performance of the Obligations, or any part thereof, be extended or varied, or if any part of the security or guaranties therefor be released, all persons now or at any time hereafter liable therefor, or interested in the Mortgaged Property, shall be held to assent to such extension, variation or release, and their liability, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by Bank, notwithstanding any such extension, variation or release. Any person, firm or corporation taking a junior mortgage, or other lien upon the Mortgaged Property or any part thereof or any interest therein, shall take the said lien subject to the rights of Bank to amend, modify, extend or release the Reimbursement Agreement, this Mortgage or any other Credit Document, in each case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

11.19 It is the desire and intention of the parties hereto that this Mortgage and the lien hereof shall not merge in fee simple title to the Mortgaged Property, unless a contrary intent is ever manifested by Bank as evidenced by an express statement to that effect in an appropriate document duly recorded. Therefore, it is hereby understood and agreed that should Bank acquire any additional or other interest in or to the Mortgaged Property or the ownership thereof, then this Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

11.20 COMPANY BY ITS EXECUTION HEREOF WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM, WHETHER IN CONTRACT OR TORT, AT LAW OR EQUITY, ARISING OUT OF OR IN ANY WAY RELATED TO THIS MORTGAGE. THIS WAIVER OF RIGHT TO JURY TRIAL IS KNOWINGLY AND VOLUNTARILY GIVEN AND IS INTENDED TO ENCOMPASS INDIVIDUALLY EACH INSTANCE AND EACH ISSUE AS TO WHICH THE RIGHT TO A TRIAL BY JURY WOULD OTHERWISE ACCRUE.

11.21 COMPANY HEREBY SUBMITS TO THE EXCLUSIVE JURISDICTION OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS AND OF ANY ILLINOIS STATE COURT SITTING IN CHICAGO, ILLINOIS OR IN ANY COUNTY IN ILLINOIS WHEREIN THE MORTGAGED PROPERTY IS LOCATED AND FOR THE PURPOSES OF ALL LEGAL PROCEEDINGS ARISING OUT OF OR RELATING TO THIS MORTGAGE (INCLUDING WITHOUT LIMITATION ANY OF THE

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OTHER LOAN DOCUMENTS) OR THE TRANSACTIONS CONTEMPLATED HEREBY. COMPANY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION WHICH COMPANY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF THE VENUE OF ANY SUCH PROCEEDING BROUGHT IN SAID COURT AND ANY CLAIM THAT ANY SUCH PROCEEDING BROUGHT IN SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

IN WITNESS WHEREOF, the undersigned have caused this Mortgage to be executed as of the date and year first above written.

COMPANY:

AMERICAN COLLEGE OF
OCCUPATIONAL AND
ENVIRONMENTAL MEDICINE

By: *J. Eugene Hardy*
Its: EXECUTIVE DIRECTOR

Property of Cook County Clerk's Office

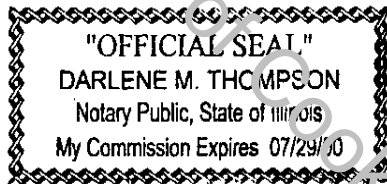
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Darlene Thompson, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that E. Eugene Hanley, EXECUTIVE DIRECTOR of the AMERICAN COLLEGE OF OCCUPATIONAL AND ENVIRONMENTAL MEDICINE, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of said company for the uses and purposes therein set forth.

Witness my hand and seal this 10TH day of November, 1998.



Darlene M. Thompson
Notary Public

My Commission Expires:

County Clerk's Office

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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

LOT 1 IN LLOYD'S RESUBDIVISION OF THE EAST 363.0 FEET OF THE NORTH ½ OF LOT 15 IN GEORGE H. ALLISON'S SUBDIVISION IN THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 20, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, FORMERLY KNOWN AS THE EAST 363.0 FEET OF THE NORTH ½ OF LOT 15 IN GEORGE H. ALLISON'S SUBDIVISION IN THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 20, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

PARCEL 2:

THE WEST ½ OF THE EAST ½ OF THE SOUTH ½ (EXCEPT THE SOUTH 33.0 FEET THEREOF HERETOFORE DEDICATED FOR PUBLIC STREET) OF LOT 15 IN GEORGE H. ALLISON'S SUBDIVISION OF THE SOUTH ½ OF THE SOUTHWEST ¼ OF SECTION 20, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, AS PER THE PLAT THEREOF RECORDED SEPTEMBER 15, 1903 AS DOCUMENT NUMBER 3441727, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 1114 N. Arlington Heights Road, Arlington Heights, Illinois

PIN NUMBER(S): 03-20-305-027-0000
03-20-305-042-0000