

3 of 3  
CCHI 2102825 D6

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**Illinois Anti-Predatory  
Lending Database  
Program**

**Certificate of Exemption**



**Report Mortgage Fraud  
844-768-1713**

Doc# 2113822045 Fee \$88.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 05/18/2021 01:06 PM PG: 1 OF 2;

The property identified as: **PIN:** 14-20-111-014-0000

**Address:**

**Street:** 3701 North Ashland Avenue

**Street line 2:**

**City:** Chicago

**State:** IL

**ZIP Code:** 60613

**Lender:** AMALGAMATED BANK OF CHICAGO, N.A.

**Borrower:** ROSECRANCE, INC

**Loan / Mortgage Amount:** \$50,000,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is commercial property.

**Certificate number:** E51EC6A3-3DFE-49A8-900C-CD75BFE5F1BF

**Execution date:** 5/1/2021

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

by and between

**ROSECANCE, INC.,**  
an Illinois not for profit corporation

Mortgagor

and

**AMALGAMATEL BANK OF CHICAGO, N.A.,**  
a national banking association, as Master Trustee

Mortgagee

Dated as of May 1, 2021

This instrument was prepared by:

**Julie K. Seymour, Esq.**  
**Nixon Peabody LLP**  
**70 West Madison – Suite 3500**  
**Chicago, Illinois 60602**

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THIS MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY AGREEMENT AND FIXTURE FILING dated as of May 4, 2021 (this "Mortgage") ROSECRANCE, INC., an Illinois not for profit corporation (the "Mortgagor"), having an address of 1021 North Mulford Drive, Rockford, Illinois 61107, Attention: Senior Vice President of Finance and Chief Financial Officer, to and in favor of Amalgamated Bank of Chicago, an Illinois banking corporation, as successor master trustee under the hereinafter defined Master Indenture (the "Mortgagee"), having an address of 30 N. LaSalle Street, 38<sup>th</sup> Floor, Chicago, Illinois 60602.

## WITNESETH:

WHEREAS, the Mortgagor is the owner of, among other real property, a multi-unit residential facility located in Chicago, Cook County, Illinois, on the real estate legally described on Exhibit A attached hereto (the "Real Estate"); and

WHEREAS, the Mortgagor, Rosecrance Health Network and Rosecrance, Inc., each an Illinois not for profit corporation, and Jackson Recovery Centers, Inc., an Iowa non-profit corporation, and the Mortgagee have entered into that certain Master Trust Indenture dated as of April 1, 2003, as supplemented by the First Supplemental Master Trust Indenture dated as of September 1, 2011, the Second Supplemental Master Trust Indenture dated as of October 1, 2012, the Third Supplemental Master Trust Indenture dated as of July 1, 2014, the Fourth Supplemental Master Trust Indenture dated as of January 1, 2018, the Fifth Supplemental Master Trust Indenture dated as of December 1, 2020 and the Sixth Supplemental Master Trust Indenture dated as of May \_\_, 2021 (as further supplemented, modified and amended from time to time, collectively, the "Master Indenture"); and

WHEREAS, pursuant to the Master Indenture, the Mortgagor, Rosecrance Health Network and any additional Members of the Obligated Group (each as defined in the Master Indenture) are authorized to issue Direct Note Obligations from time to time, including without limitation:

- (i) the Rosecrance, Inc. Direct Note Obligation, Series 2012A-1 (Illinois Finance Authority) (the "Series 2012A-1 Obligation");
- (ii) the Rosecrance, Inc. Direct Note Obligation, Series 2012A-2 (BMO Harris Bank N.A.) (the "Series 2012A-2 Obligation" and, together with the Series 2012A-1 Obligation, the "Series 2012A Obligations");
- (iii) the Rosecrance, Inc. Direct Note Obligation, Series 2012B-1 (Illinois Finance Authority) (the "Series 2012B-1 Obligation");
- (iv) the Rosecrance, Inc. Direct Note Obligation, Series 2012B-2 (Alpine Bank & Trust Co.) (the "Series 2012B-2 Obligation" and, together with the Series 2012B-1 Obligation, the "Series 2012B Obligations");
- (v) the Rosecrance, Inc. Direct Note Obligation, Series 2014A-1 (Illinois Finance Authority) (the "Series 2014A-1 Obligation");

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(vi) the Rosecrance, Inc. Direct Note Obligation, Series 2014A-2 (BMO Harris Bank N.A.) (the “Series 2014A-2 Obligation” and collectively with the Series 2014A-1 Obligation, the “Series 2014A Obligations”);

(vii) the Rosecrance, Inc. Direct Note Obligation, Series 2014B-1 (Illinois Finance Authority) (the “Series 2014B-1 Obligation”);

(viii) the Rosecrance, Inc. Direct Note Obligation, Series 2014B-2 (Alpine Bank & Trust Co.) (the “Series 2014B-2 Obligation” and collectively with the Series 2014B-1 Obligation, the “Series 2014B Obligations”);

(ix) the Jackson Recovery Centers, Inc. Direct Note Obligation, Series 2020A-1 (BMO Harris Bank, N.A. – Series 2020 Bonds) (the “Series 2020A-1 Obligation”);

(x) the Rosecrance, Inc. Direct Note Obligation, Series 2020A-2 (BMO Harris Bank N.A. – Series 2020 Additional Covenant Agreement) (the “Series 2020A-2 Obligation” and, together with the Series 2020A-1 Obligation, the “Series 2020A Obligations”);

(xi) the Rosecrance, Inc. Direct Note Obligation, Series 2020B (BMO Harris Bank N.A. – Term Loan Agreement) (the “Series 2020B Obligation”);

(xii) the Rosecrance, Inc. Direct Note Obligation, Series 2020C (BMO Harris Bank N.A. – Line of Credit Agreement) (the “Series 2020C Obligation”, and, together with the Series 2020A Obligations and the Series 2020B Obligation, the “Series 2020 Obligations”); and

(xiii) the Rosecrance, Inc. Direct Note Obligation, Series 2021 (BMO Harris Bank N.A. – Term Loan Agreement) (the “Series 2021 Obligation”)

(the Series 2012A Obligations, the Series 2012B Obligations, the Series 2014A Obligations, the Series 2014B Obligations, the Series 2021 Obligations and the series 2021 Obligation are collectively referred to herein as the “Outstanding Obligations” and, together with any obligations heretofore or hereafter issued pursuant to the Master Indenture, collectively, the “Obligations”), all of which Obligations are hereby incorporated by reference; and

WHEREAS, the Mortgagor wishes to mortgage and assign to the Mortgagee its interest in the Real Estate and other Mortgaged Property described herein as security for the Obligations and the performance of the obligations of the Obligated Group under the Master Indenture and the Mortgagor under this Mortgage.

NOW, THEREFORE, in consideration of the premises, and for other good and valuable consideration the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of, and premium, if any, and interest payable on the Obligations, and the performance by the Obligated Group of its obligations under the Master Indenture and the performance by the Mortgagor of its obligations under this Mortgage, the Mortgagor has executed and delivered this Mortgage and by these presents does assign, grant, mortgage, warrant, convey, transfer, pledge,

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set over and confirm unto the Mortgagee, and its successors and assigns forever, and grants thereto a security interest in the Mortgagor's right, title and interest in, to and under any and all of the following described property (herein collectively called the "Mortgaged Property"):

## GRANTING CLAUSES

### Mortgaged Real Estate

The Real Estate legally described in Exhibit A hereto, together with the entire interest of Mortgagor (whether now owned or hereafter acquired) in and to said Real Estate and in and to all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed or placed, upon the Real Estate (except as may be provided for in Exhibit A), including, without limitation, all building materials, building equipment and fixtures of every kind and nature whatsoever on the Real Estate or in any building, structure or improvement now standing or hereafter constructed or placed thereon, and the reversion or reversions, and remainder or remainders, in and to the Real Estate, and together with the entire interest of the Mortgagor in and to all and singular the tenements, hereditaments, easements, rights of way, rights, privileges and appurtenances to the Real Estate, belonging or in any way appertaining thereto, and all right, title and interest of the Mortgagor in, to and under any streets, ways or alleys adjoining the Real Estate or any part thereof including, without limitation, all bridges thereover and tunnels thereunder, including without limitation all claims or demands whatsoever of the Mortgagor either in law or in equity, in possession or expectancy of, in and to the Real Estate, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described, which is now owned or hereafter acquired by the Mortgagor and affixed to or attached to or placed on the Real Estate, shall be deemed to be, and shall be considered as, fixtures and appurtenances to the Real Estate, together with all rents, income, issues and profits therefrom (collectively, the "Mortgaged Real Estate");

### Condemnation Awards

All judgments, awards of damages, settlements and other compensation heretofore or hereafter made resulting from condemnation proceedings or the taking of the Mortgaged Real Estate or any part thereof or any building or other improvement now or at any time hereafter located thereon or any easement or other appurtenance thereto under the power of eminent domain, or any similar power or right (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for the payment thereof), whether permanent or temporary, or for any damage (whether caused by such taking or otherwise) to said property or any part thereof or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including without limitation, severance and consequential damage, and any award for change of grade of streets (collectively, "Condemnation Awards");

### Other

All rights in and to common areas and access roads on adjacent properties heretofore or hereafter granted to Mortgagor and any after-acquired title or reversion in and to the beds of any ways, roads, streets, avenues and alleys adjoining the Real Property or any part thereof; and

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All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or other liquidated claims, including, without limitation, all proceeds of insurance.

SUBJECT, HOWEVER, to the easements, covenants, conditions and restrictions of record and other exceptions to title identified as Schedule B exceptions on the Mortgage Loan Policies of Title Insurance issued to the Mortgagee by Chicago Title Insurance Company in respect of this Mortgage (the "Permitted Exceptions") and set forth in Exhibit B hereto;

TO HAVE AND TO HOLD, all and singular, the Mortgaged Property, whether now owned or hereafter acquired, unto the Mortgagee, its successors and assigns forever; provided, however, that this Mortgage is upon the express condition that if the Mortgagor shall pay or cause to be paid all indebtedness secured hereby and shall keep, perform and observe all and singular the obligations under the Master Indenture, the Obligations and in this Mortgage expressed to be kept, performed and observed by the Mortgagor, then this Mortgage and the rights hereby granted shall cease, determine and be void, otherwise to remain in full force and effect.

The Mortgagor and the Mortgagee hereby further covenant and agree as follows:

## ARTICLE I

### DEFINITIONS

In addition to the words and terms elsewhere defined in this Mortgage, the following words and terms as used in this Mortgage shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Applicable State Law" means all relevant statutory and case law in the State, including, but not by way of limitation, the Uniform Commercial Code in effect in the State of Illinois (the "UCC"), as amended, modified and/or recodified from time to time; provided, however, if by reason of mandatory provisions of law, the perfection, the effect of perfection or nonperfection, and the priority of a security interests in any personal property are governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State, "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to perfection, effect of perfection or non-perfection, and the priority of the security interests in any such personal property.

"Collateral" has the meaning set forth in Section 3.18.

"Condemnation Awards" has the meaning set forth in the Granting Clauses.

"County" means Cook County, Illinois, the county in which the Mortgaged Property is located.

"Environmental Law" means any and all local, state, federal, international, governmental, public or private laws, statutes, ordinances, regulations, orders, consent decrees, settlement agreements, injunctions, judgments, permits, licenses, codes, covenants, deed restrictions, common laws, treaties, and reported state or federal court decisions thereunder, related to environmental protection, health and safety of persons, natural resource damages, conservation,



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wildlife, waste management, the use, storage, generation, production, treatment, emission, discharge, remediation, removal, disposal or transport or any other activity related to a Hazardous Material, or any other environmental matter, including but not limited to any of the following statutes: (a) Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, and Solid Hazardous Waste Amendments of 1984, 42 U.S.C. Sections 6901 9661K; (b) Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Sections 9601 9675; (c) Clean Air Act of 1966, as amended, 42 U.S.C. Sections 7401 7642; (d) Hazardous Materials Transportation Control Act of 1970, as amended, 49 U.S.C. Sections 1801 1812; (e) Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C. Sections 1251 1387; (f) Insecticide, Fungicide and Rodenticide Act, as amended, 7 U.S.C. Section 136 136y; (g) Toxic Substances Control Act, as amended, 15 U.S.C. Sections 2601 2671; (h) Safe Drinking Water Act, 42 U.S.C. Sections 300f 300j 26; (i) Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. 651 (j) Emergency Planning & Community Right To Know Act of 1986, 42 U.S.C. §§11001 11050; (k) National Environmental Policy Act of 1978, 42 U.S.C. Section 300(f) et seq.; (l) any similar or implementing state or local laws, statutes, ordinances; and (m) all amendments, rules, regulations, guidance documents and publications promulgated under any and all of the above.

“Event of Default” has the meaning set forth in Section 4.1.

“Hazardous Materials” means any hazardous or toxic chemical, element, material, waste, byproduct, pollutant, contaminant, compound, product or substance or other similar term including any material that is regulated by any Environmental Law or that hereafter becomes regulated by any Environmental Law, including, without limitation, asbestos, urea formaldehyde foam insulation, petroleum and its derivatives, by products and other hydrocarbons, radioactive materials, radon gas and polychlorinated biphenyls (PCBs).

“indebtedness secured hereby” means the Obligations and the other amounts payable under the Master Indenture and this Mortgage.

“Real Estate” means the real estate described in the Recitals hereto.

“Master Indenture” has the meaning set forth in the Recitals hereto.

“Mortgage” means this Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Filing, as supplemented and amended from time to time.

“Mortgaged Real Estate” has the meaning set forth in the Granting Clauses.

“Mortgaged Property” means all of the property, collectively, described in the Granting Clauses.

“Obligations” has the meaning set forth in the Recitals.

“Permitted Encumbrances” has the meaning set forth in the Master Indenture.

“Released Property” has the meaning set forth in Section 5.1.

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“State” means the State of Illinois.

“Taxes” has the meaning set forth in Section 3.7.

All accounting terms not otherwise defined herein shall have the meanings assigned to them in accordance with generally accepted accounting principles.

All references in this instrument to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Mortgage as a whole and not to any particular Article, Section or other subdivision unless the context indicates otherwise.

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

The Mortgagor makes the following representations and warranties as the basis for its covenants herein:

(a) It is a not-for-profit corporation duly incorporated under the laws of the State, is in existence and duly authorized to conduct its business in the State, is duly authorized and has full power under the laws of the State and all other applicable provisions of law and its articles of incorporation and bylaws to create, issue, enter into, execute and deliver this Mortgage and all action on its part necessary for the valid execution and delivery of this Mortgage has been duly and effectively taken.

(b) The execution and delivery of this Mortgage, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate restriction or of any agreement or instrument to which it is now a party, and do not and will not constitute a default under any of the foregoing. The Mortgagor has full power and lawful authority to mortgage and grant a security interest in the Mortgaged Property to the Mortgagee. This Mortgage constitutes (i) a direct and valid lien upon the Mortgaged Real Estate, subject only to Permitted Exceptions, and (ii) a legal, valid and binding obligation of the Mortgagor, enforceable in accordance with its terms. The easements, rights of way, liens, encumbrances, covenants, conditions, restrictions, exceptions, minor defects, irregularities of title and encroachments on adjoining real estate which are Permitted Exceptions, if any, now existing with respect to the Mortgaged Real Estate do not and will not materially adversely affect the value of the Mortgaged Real Estate currently affected thereby, or materially impair or materially interfere with the operation and usefulness thereof for the purpose for which they were acquired or are held by the Mortgagor.

(c) To the best of the Mortgagor’s knowledge, no Hazardous Materials are present on the Mortgaged Property in violation of any applicable Environmental Laws. The Mortgagor will not cause or permit any Hazardous Material to be brought upon, kept, stored, released, produced manufactured, disposed of, used treated, generated or otherwise handled on, in, about or beneath the Mortgaged Property or any portion thereof by the Mortgagor, its agents, employees,



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contractors, invitees, any tenants or subtenants, or any other person, except to the extent such Hazardous Material is commonly used in the operation of the Mortgaged Real Estate as addiction and mental health care facilities and in the construction or normal operation (including renovation or repair) of the Mortgaged Property and such Hazardous Material is handled, used and disposed of in compliance with all applicable Environmental Laws.

(d) The Mortgaged Property and its intended use substantially and materially comply with applicable laws, governmental regulations and the terms of any enforcement action commenced by any federal, State, regional or local governmental agency, including, without limitation, all applicable Environmental Laws. The Mortgagor covenants that the Mortgaged Property and its use shall at all times comply with all applicable Environmental Laws.

## ARTICLE III

### GENERAL COVENANTS AND AGREEMENTS

Section 3.1. Master Indenture Covenants. Each and all of the terms, provisions, restrictions, covenants and agreements set forth in the Master Indenture are incorporated herein by reference and, to the extent such provisions are applicable to Mortgagor and/or the Mortgaged Property, the Mortgagor hereby covenants and agrees well and truly to abide by, perform and be governed and restricted by each and all of such matters provided for by the Master Indenture and so incorporated herein to the same extent and with the same force and effect as if set out and repeated herein at length.

Section 3.2. Further Assurances. The Mortgagor will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such agreements supplemental hereto and all such further acts, deeds, conveyances, mortgages, assignments, instruments, transfers and assurances as the Mortgagee reasonably may require for the better assuring, transferring, mortgaging, conveying, pledging, assigning and confirming unto the Mortgagee all and singular the Mortgaged Property as now or hereafter constituted.

Section 3.3. Payment of Principal, Premium, if any, and Interest. The Mortgagor will duly and punctually pay the principal of, premium, if any, and interest on the indebtedness secured hereby according to the terms thereof.

Section 3.4. Maintenance of Lien; Recording. (a) The Mortgagor will, at its own expense, take all necessary action to maintain and preserve the lien and security interest of this Mortgage so long as any of the indebtedness secured hereby is outstanding.

(b) The Mortgagor will, forthwith after the execution and delivery of this Mortgage and thereafter from time to time, cause this Mortgage and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to perfect and protect the lien and security interest hereof upon, and the priority thereof, and the title of the Mortgagor to, the Mortgaged Property, and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all continuation statements and further instruments that may be requested by the Mortgagee for such publication, perfection and protection. Except

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to the extent it is exempt therefrom, the Mortgagor will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal and State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage and such instruments of further assurance.

Section 3.5. Maintenance, Repair, Restoration, Liens. The Mortgagor shall (a) pay, when due, any indebtedness that may be secured by a lien or charge on the Mortgaged Property (whether senior, of equal priority, or junior to the lien hereof) and, upon request, exhibit to the Mortgagee satisfactory evidence of the discharge of such lien; (b) complete in a timely manner and free and clear of the liens of any mechanics or materialmen any building(s) or other improvements now or at any time in the process of erection or rehabilitation upon the Mortgaged Property; (c) comply with all requirements of law, municipal ordinances, and restrictions and covenants of record with respect to the Mortgaged Property and the use thereof; (d) suffer or permit no unlawful use of, or nuisance to exist upon, the Mortgaged Property; and (e) cause the Mortgaged Property to be managed in a competent and professional manner.

Section 3.6. Priority of Lien. It is further made an express condition and covenant hereof that, while this Mortgage is in effect, the lien of this Mortgage shall extend to any and all improvements and fixtures owned by the Mortgagor and now or hereafter located on the Mortgaged Real Estate, prior to any other lien on the Mortgaged Real Estate that may be claimed by any person, so that subsequently accruing claims for any lien on the Mortgaged Real Estate shall be junior to this Mortgage, subject to Permitted Exceptions.

Section 3.7. Taxes. To the extent any portion of the Mortgaged Property is not exempt from the payment of such taxes or shall hereafter no longer qualify, in whole or in part, for any such exceptions, the Mortgagor shall pay before any penalty attaches all general and special taxes, assessments, water charges, sewer charges and other fees and charges of every kind and nature (all herein generally called "Taxes"), whether or not assessed against the Mortgagor, if applicable to the Mortgaged Property or any interest therein or any indebtedness secured hereby; and, the Mortgagor shall, upon written request, furnish to the Mortgagee duplicate receipts therefor. The Mortgagor shall pay in full under protest in the manner provided by statute any Taxes that the Mortgagor may desire to contest, and, in any event, shall pay such Taxes, notwithstanding such contest, if in the opinion of at least 51% of the holders of Obligations outstanding under the Master Indenture, the Mortgaged Property shall be in jeopardy or in danger of being forfeited or foreclosed; and, if the Mortgagor shall not pay the same when so required, the Mortgagee may do so (at the direction of at least 51% of the holders of Obligations outstanding under the Master Indenture) and may apply such deposit for such purpose. In the event that any law or decree has the effect of deducting from the value of the Mortgaged Property for the purpose of taxation or any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the Taxes or liens herein required to be paid by the Mortgagor or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of the Mortgagee in the Mortgaged Property, or the manner of collection of Taxes, so as to affect this Mortgage or the Mortgagee, then, and in any such event, the Mortgagor, upon demand by the Mortgagee, shall pay such Taxes, or reimburse the Mortgagee therefor on demand.

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Section 3.8. Insurance Coverage. The Mortgagor, at its own expense, will insure, including during any construction and thereafter, all of the buildings and improvements now or hereafter included within the Mortgaged Property, and each and every part and parcel thereof as may be reasonably required by the Mortgagee or otherwise required to be maintained pursuant to the terms of the Master Indenture, and in any event including:

(a) During construction (if any), all risks package of builder's risk insurance, including owner's, contractor's, and employer's liability insurance, workmen's compensation insurance, and physical damage insurance;

(b) Property, steam boiler, machinery, and other insurance of the types and in amounts not less than customarily carried by persons owning or operating like properties; and

(c) Flood insurance, where appropriate, but only if reasonably available.

The insurance policies required by this Section 3.8 shall be for the benefit, as their interests shall appear, of the Mortgagor and the Mortgagee. The Mortgagor shall not cancel such policies without giving written notice to the Mortgagee at least 30 days prior to such cancellation.

Section 3.9. Proceeds of Insurance. Subject to the provisions of Section 410 of the Master Indenture, in case of loss covered by policies of insurance, the Mortgagee is hereby authorized at its option either (i) to settle and adjust any claim under such policies without the consent of the Mortgagor or (ii) to allow the Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss subject to the Mortgagee's reasonable consent; provided, however, that the Mortgagee shall not have the right to exercise the powers granted in this Section 3.9 unless there is an Event of Default hereunder. In addition, in the case where the casualty shall occur during the existence of an Event of Default, Mortgagee is hereby authorized to collect and give a receipt for any such insurance proceeds; and the reasonable expenses incurred by the Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional indebtedness secured hereby and shall be reimbursed to the Mortgagee upon demand. In the event of any casualty, the proceeds of any insurance shall be applied in accordance with Section 410 of the Master Indenture and at the direction of the holders of at least 51% of the Obligations outstanding under the Master Indenture.

Section 3.10. Condemnation. Subject to Section 411 of the Master Indenture, in case of condemnation of any portion of the Mortgaged Property, the Mortgagee is hereby authorized at its option either (i) to settle and adjust any claim for award without the consent of Mortgagor or (ii) to allow the Mortgagor to agree with the condemning authority on the amount of award to be paid upon the taking subject to the Mortgagee's reasonable consent; provided, however, that the Mortgagee shall not have the right to exercise the powers granted in this Section 3.10 unless there is an Event of Default hereunder. In addition, in the case where the condemnation shall occur during the existence of an Event of Default, Mortgagee is hereby authorized to collect and give a receipt for any such condemnation awards; and the reasonable expenses incurred by the Mortgagee in the adjustment and collection of insurance proceeds shall be so much additional indebtedness secured hereby and shall be reimbursed to the Mortgagee upon demand. In the event of any condemnation, the proceeds of any condemnation award shall be applied in accordance with

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Section 411 of the Master Indenture and at the direction of the holders of at least 51% of the Obligations outstanding under the Master Indenture.

Section 3.11. Hazardous Materials. (a) The Mortgagor hereby indemnifies the Mortgagee, and agrees to hold the Mortgagee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses, reasonable litigation costs and expenses (including expenses for any necessary consultants or experts) and claims of any and every kind whatsoever paid, incurred or suffered by, or asserted against, the Mortgagee for, with respect to, or as a direct or indirect result of, the presence on or under or the use or the escape, seepage, leakage, spillage, discharge, emission, discharging, or release from, the Mortgaged Property of any Hazardous Material (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any Environmental Law) regardless of whether or not caused by, or within the control of, the Mortgagor, unless resulting solely from the willful or negligent act, of the Mortgagee.

(b) The Mortgagor shall provide information and certifications which the Mortgagee may reasonably request from time to time evidencing the Mortgagor's compliance with Environmental Laws and/or this Section 3.11. If at any time the Mortgagee reasonably suspects a release or threat of a release of a Hazardous Material or a violation of an Environmental Law, and as otherwise provided in the document, the Mortgagee may, in its sole discretion determine that an environmental audit and/or environmental assessment of the Mortgaged Property is necessary. The Mortgagee shall notify the Mortgagor of such request and the basis for such request and the Mortgagor shall cause, at the Mortgagor's expense, such additional investigation of the Mortgaged Property to be performed as may be reasonably required by Mortgagee and to prepare a written report of the results of such investigation. Any and all such assessments and investigations shall be performed in accordance with all governmental requirements and conditions. If the Mortgagee is not satisfied with such report or determines that further investigation is reasonably necessary, the Mortgagee may engage environmental consultants, at the Mortgagor's expense, to perform such additional investigation and the Mortgagor shall cooperate in the conduct of such investigation.

Section 3.12. Stamp Tax. If, by the laws of the United States of America, or of any state or municipality having jurisdiction over the Mortgagor or the Mortgaged Property, any tax is imposed or becomes due in respect of the issuance of the Obligations, the Mortgagor shall pay such tax in the manner required by such law.

Section 3.13. Effect of Extensions of Time and Amendments. If the payment of the indebtedness secured hereby, or any part thereof, be extended or varied, or if any part of the security 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 the Mortgagee, notwithstanding any such extension, variation, or release. Any Person, firm, or Mortgagor taking a junior mortgage or other lien upon the Mortgaged Property or any interest therein shall take the said lien subject to the rights of the Mortgagee to amend, modify, and supplement this Mortgage, the Obligations, the Master Indenture or the Bond Indenture and to extend the maturity of the indebtedness secured



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hereby, in each and every 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.

Section 3.14. Mortgagee's Performance of the Mortgagor's Obligations. When any Event of Default has occurred and is continuing, the Mortgagee, either before or after acceleration of the indebtedness secured hereby or the foreclosure of the lien hereof and during any period of redemption may, but shall not be required to, make any payment or perform any act herein required of the Mortgagor in any form and manner deemed expedient to the Mortgagee; and the Mortgagee may, but shall not be required to, make full or partial payments of principal or interest on any prior encumbrances and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Mortgaged Property or contest any tax or assessment, and may, but shall not be required to, complete construction, rehabilitation, furnishing, and equipping of the improvements upon the Mortgaged Property and rent, operate and manage the Mortgaged Property and such improvements and pay operating costs and expenses, including without limitation management fees, of every kind and nature in connection therewith, so that the Mortgaged Property and improvements shall be operational and usable for their intended purposes. All monies paid for any of the purposes herein authorized, and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees and other monies advanced by the Mortgagee to protect the Mortgaged Property and the lien hereof, or to complete construction, furnishing and equipping or to rent, operate and manage the Mortgaged Property and such improvements or to pay any such operating costs and expenses thereof or to keep the Mortgaged Property and improvements operational and usable for their intended purpose, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice. Inaction of the Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of the Mortgagor. The Mortgagee, in making any payment hereby authorized (a) relating to taxes and assessments, 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 other prior 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, rehabilitation, furnishing or equipping of the improvements or the rental, operation or management of the Mortgaged Property or the payment of operating costs and expenses thereof, may do so in such amounts and to such persons as the Mortgagee may deem appropriate.

Section 3.15. Inspection of Mortgaged Property and Records. The Mortgagee and each holder of an Obligation outstanding under the Master Indenture shall have the right to inspect the Mortgaged Property and all books, records and documents relating thereto at all reasonable times, and access thereto shall be permitted for that purpose.

Section 3.16. Restrictions on Transfer. It shall be an Event of Default hereunder if (i) the Mortgagor shall create, effect, consent to or suffer or permit any conveyance, sale, assignment, lease, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Mortgaged Property or any part thereof or interest therein, other than either (A) a transfer, conveyance or other transaction permitted under the Master Indenture, (B) the grant of a lien constituting a Permitted Exception or (C) with the consent of the holders of all Outstanding Obligations under the Master Indenture; or (ii) any action is brought to foreclose or enforce any lien or other lien with respect to the Mortgaged Property, provided that the commencement of any

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such action shall not constitute an Event of Default hereunder so long as the Mortgagor shall contest such action diligently and in good faith.

Section 3.17. Mortgagor's Right of Possession. So long as the Mortgagor is in full compliance with the terms and provisions of this Mortgage, the Mortgagor shall be suffered and permitted to possess, use and enjoy the properties and appurtenances constituting the Mortgaged Property.

Section 3.18. Illinois Uniform Commercial Code. This Mortgage constitutes a security agreement under the UCC with respect to any part of the Mortgaged Property which may or might now or hereafter be or be deemed to be personal property, fixtures or property other than real estate (for the purposes of this Mortgage called "Collateral"); all of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Mortgaged Property; and the following provisions of this Section 3.18 shall not limit the generality or applicability of any other provision of this Mortgage but shall be in addition thereto:

(a) The Mortgagor (being the Debtor as that term is used in the UCC) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than Permitted Exceptions.

(b) The Collateral is to be used by the Mortgagor solely for business purposes, being installed upon the Mortgaged Real Estate for the Mortgagor's own use or as furnished by the Mortgagor, as landlord, to tenants of the Mortgaged Real Estate.

(c) The Collateral will be kept at the Real Estate comprised within the Mortgaged Property, and will not be removed therefrom without the consent of the Mortgagee (being the Secured Party as that term is used in the UCC) which consent shall not be unreasonably withheld, and the Collateral may be affixed to the Mortgaged Real Estate but will not be affixed to any other real estate.

(d) No financing statement covering any of the Collateral or any proceeds thereof is on file in any public office (other than financing statements with respect to Permitted Exceptions); and the Mortgagor will at its own cost and expense, upon demand, furnish to the Mortgagee such further information, execute and deliver to the Mortgagee such financing statements and other documents in form satisfactory to the Mortgagee, and do all such acts and things as the Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Collateral as security for the indebtedness secured hereby, subject to no liens, charges or encumbrances other than Permitted Exceptions; provided, however, that the Mortgagee shall have no responsibility for the filing of any initial financing statement with respect to the Collateral, but the Mortgagor shall undertake such responsibility. The Mortgagor will pay the cost of filing or recording such financing statements or other documents and this instrument in all public offices wherever filing or recording is deemed by the Mortgagee to be necessary or desirable.

(e) Upon any Event of Default hereunder and the continuance thereof, the Mortgagee at its option may, and if the Obligations have been accelerated, the Mortgagee shall promptly,



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declare the indebtedness secured hereby immediately due and payable, all as more fully set forth in Section 4.2 hereof, and thereupon the Mortgagee shall have the remedies of a secured party under the UCC, including, without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as the Mortgagor can give authority therefor, with or without judicial process, enter without breach of the peace upon any place that the Collateral or any part thereof may be situated and remove the same therefrom (provided that if Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the UCC); and the Mortgagee shall be entitled to hold, maintain, preserve, and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral. The Mortgagee, without removal, may render the Collateral unusable and dispose of the Collateral on the Mortgaged Property. The Mortgagee may require the Mortgagor to assemble the Collateral and make it available to the Mortgagee for its possession at a place to be designated by the Mortgagee. The Mortgagee will give the Mortgagor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by first class mail, postage prepaid, to the address of the Mortgagor shown in this Mortgage or in the Mortgagee's records at least ten (10) days before the time of the sale or disposition. The Mortgagee may buy at any public sale, and if the 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, the Mortgagee may buy at private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the real estate comprised within the Mortgaged Property, the Collateral and real estate to be sold as one lot if the Mortgagee so elects. The net proceeds realized upon any such disposition, after deduction for the expenses or retaking, holding, preparing for sale, selling or the like and reasonable attorney's fees and legal expenses incurred by the Mortgagee, shall be applied against the indebtedness secured hereby.

(f) The remedies of the Mortgagee hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the UCC shall not be construed as a waiver of any of the other remedies of the Mortgagee, including having the Collateral deemed part of the realty upon any foreclosure thereof so long as any part of the indebtedness secured hereby remains unsatisfied.

(g) The terms and provisions contained in this Section 3.18 shall, unless the context otherwise requires, have the meanings and be construed as provided in the UCC.

(h) This Mortgage is intended to be a continuously perfected financing statement within the purview of §9-308 of the UCC with respect to the Collateral and the goods described at the beginning of this Mortgage, which goods are or are to become fixtures, as such term is defined in §9-102(41) of the UCC, that are part of the Mortgaged Property. This Mortgage is to be filed by the Mortgagor with the County Recorder in the county in which the Mortgaged Property is located. In order to satisfy §9-502 of the UCC, the following information is hereby provided:

Name of Debtor:	Rosecrance, Inc.
Address of Debtor:	1021 North Mulford Drive Rockford, Illinois 61107

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Type of Organization: Not for profit corporation  
 State of Organization: Illinois  
 Organization Number: 13875812  
 Name of Secured Party: Amalgamated Bank of Chicago  
 Address of Secured Party: One West Monroe Street  
 Chicago, Illinois 60603  
 Record Owner of Mortgaged Property: Rosecrance, Inc.

Section 1.19. Assignment of Leases, Rents, and Contracts. The Mortgagor hereby bargains, sells, transfers, assigns, conveys, and delivers to the Mortgagee all of the Mortgagor's right, title, and interest in and to all rents, income, issues and profits (the "Rents") of the Mortgaged Property, as further security for the payment of the indebtedness secured hereby to the extent permitted by law. This assignment is absolute and is effective immediately. Such assignment, grant and conveyance is intended by the parties hereto to be a present conveyance of and security interest in and chattel mortgage upon such collateral, subject to the right of the Mortgagor to receive the same prior to any default hereunder, and is not a mere pledge of such collateral to be given effect as a lien upon default, foreclosure and the appointment of a receiver. Notwithstanding the foregoing, until a notice is sent to the Mortgagor in writing that an Event of Default has occurred under the terms and conditions of this Mortgage (a "Notice"), the Mortgagor may receive, collect and enjoy the Rents accruing from the Mortgaged Property.

If any Event of Default occurs hereunder, at its option, the Mortgagee may, after service of a Notice, receive and collect all such Rents as they become due from the Mortgaged Property and under any and all leases of all or any part of the Mortgaged Property ("Leases"). The Mortgagee shall thereafter continue to receive and collect all such Rents, as long as such Event(s) of Default shall exist, and during the pendency of any foreclosure proceedings.

From and after the service of a Notice, the Mortgagee is hereby vested with full power to use all measures, legal and equitable, it may deem necessary or proper to enforce this assignment and to collect the Rents assigned hereunder, including the right of the Mortgagee or its designee to enter upon the Mortgaged Property, or any part thereof, with or without process of law, take possession (to the extent permitted by law) of all or any part of the Mortgaged Property and all documents, books, records, and papers of the Mortgagor relating thereto, and exclude the Mortgagor and its agents and servants wholly therefrom. The Mortgagor hereby grants full power and authority to the Mortgagee to exercise all rights, privileges, and powers herein granted at any and all times after service of a Notice, without further notice to the Mortgagor, with full power to use and apply all of the Rents herein assigned to the payment of the costs of managing and operating the Mortgaged Property and of the indebtedness secured hereby. The Mortgagee shall be under no obligation to exercise or prosecute any of the rights or claims assigned to it hereunder or to perform or carry out any of the obligations of the lessor under any of the Leases and does not assume any of the liabilities in connection with or arising or growing out of the covenants and agreements of the Mortgagor in the Leases. This assignment shall not operate to place responsibility for the control, care, management, or repair of the Mortgaged Property, or parts

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thereof, upon the Mortgagee, nor shall it operate to make the Mortgagee liable for the performance of any of the terms and conditions of any of the Leases, for any waste of the Mortgaged Property by any lessee under any of the Leases or any other person, for any dangerous or defective condition of the Mortgaged Property, or for any negligence in the management, upkeep, repair or control of the Mortgaged Property resulting in loss, injury, or death to any lessee, licensee, employee, or stranger.

The assignment under this Section is given as a primary pledge and assignment of the rights described herein and such assignment shall not be deemed secondary to the security interest and mortgage of the Mortgagor in the Mortgaged Property. The Mortgagee shall have the right to exercise any rights under this Section before, together with, or after exercising any other rights under this Mortgage. Nothing herein shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty, or liability of the Mortgagor under this assignment, and the Mortgagor shall and does hereby indemnify and hold the Mortgagee harmless from any and all cost (including without limitation reasonable attorneys' fees and legal expenses), liability, loss, or damage which the Mortgagee may or might incur by reason of this assignment; and any and all such cost, liability, loss, or damage incurred by the Mortgagee, including reasonable attorney's fees incurred by the Mortgagee in the defense of any claims or demands therefor (whether successful or not), shall be so much additional indebtedness secured hereby, and the Mortgagor shall reimburse the Mortgagee there or on demand.

## ARTICLE IV

### DEFAULTS AND REMEDIES THEREFOR

Section 4.1. Event of Default Defined. The term "Event of Default" wherever used in this Mortgage shall mean (i) Mortgagor shall default in the timely payment of any amount due to Mortgagee under the terms of the Obligations or other indebtedness secured hereby and shall have failed to cure such default within five (5) business days after receipt of written notice of such default from Mortgagee, or (ii) the failure of the Mortgagor to comply with any covenant, agreement or warranty contained in this Mortgage within 30 days after the Mortgagee shall have given written notice thereof to the Mortgagor, provided that, if such default cannot with due diligence and dispatch be wholly cured within 30 days but can be wholly cured no Event of Default shall be deemed to occur so long as Mortgagor has commenced to cure such default within said thirty (30) day period and continuously and with reasonable diligence prosecutes such cure to completion, or (iii) an "Event of Default" shall have occurred under the Master Indenture.

Section 4.2. Remedies. When any Event of Default has occurred and is continuing, the Mortgagee may, at its sole option and upon written notice to Mortgagor, accelerate the maturity of the Obligations or other indebtedness secured hereby to the date of such notice and declare the entire indebtedness secured hereby to be immediately due and payable, and, in addition thereto, Mortgagee shall have the right and option, in its sole discretion, to exercise any one or more or all of the other remedies available to it pursuant to the following provisions of this Article IV, the terms of the Master Indenture or any other remedies available at law or in equity or by statute; it being expressly agreed that no remedy herein or in the Master Indenture is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall be in

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addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute.

Section 4.3. Possession by the Mortgagee. When any Event of Default has occurred and is continuing, the Mortgagee shall, if applicable law permits, have the right to enter into and upon the Mortgaged Property and take possession thereof or to appoint an agent or trustee for the collection of the Rents of the Mortgaged Property.

Section 4.4. Foreclosure. When any Event of Default has occurred and is continuing, the Mortgagee shall have the right to foreclose the lien hereof for the indebtedness secured hereby or any part thereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness secured hereby, in the judgment of foreclosure, all costs and expenses that may be paid or incurred by or on behalf of the Mortgagee for reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, an environmental assessment of the Mortgaged Property and any additional investigation necessitated thereby, publication costs and costs (which may be estimated as to items to be expended after entry of the judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurance with respect to title, as the Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such judgment, the true conditions of the title to or the value of the Mortgaged Property. All expenditures and expenses of the nature mentioned in this Section, and such other expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the reasonable fees of any attorney employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the indebtedness secured hereby or the Mortgaged Property, including probate, bankruptcy and appellate proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, shall be so much additional indebtedness secured hereby and shall be immediately due and payable by the Mortgagor. Notwithstanding anything herein to the contrary, the Mortgage shall not foreclose the lien of this Mortgage without the prior written consent of the holders of at least 25% of the Obligations outstanding under the Master Indenture.

Notwithstanding anything contained in this Mortgage to the contrary, upon the occurrence and continuance of an Event of Default, before taking any foreclosure action or any action which may subject the Mortgagee to liability under any Environmental Law, statute, regulation or similar requirement relating to the environment, the Mortgagee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, damages, losses, penalties, fines, liabilities (including strict liability) and expenses which may result from such foreclosure or other action. In any event, the Mortgagee shall not be obligated to engage in any foreclosure proceeding with respect to the Mortgaged Property if doing so will subject it to unreimbursed environmental liability or will require the approval of a governmental regulator that cannot be obtained. Such financial assurance may be provided to the Mortgagee from any person, including the holders of the Obligations or any "Related Bonds" (as defined in the Master Indenture) with respect thereto.

Section 4.5. Receiver. Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, a court of competent jurisdiction may, upon the application of the Mortgagee,



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appoint a receiver (at the Mortgagor's expense) of the Mortgaged Property. Such appointment may be made either before or after sale, without regard to solvency or insolvency of the Mortgagor at the time of application for such receiver, and without regard to the then value of the Mortgaged Property or whether the same shall be then occupied as a homestead or not; and the Mortgagee or any employee or agent thereof may be appointed as such receiver. Such receiver shall have the power to collect the Rents of the Mortgaged Property during the pendency of such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collection of such Rents and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the Mortgaged Property in such receiver's hands in payment in whole or in part of: (a) the indebtedness secured hereby or the indebtedness secured by a judgment foreclosing this Mortgage, or any tax, special assessment, or other lien that may be or become superior to the lien hereof or of such judgment, provided such application is made prior to the foreclosure sale; or (b) the deficiency in case of a sale and deficiency.

Section 4.6. Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in rebuilding or restoring the buildings or improvements as herein provided, 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. In the event of foreclosure sale, the Mortgagee is hereby authorized, without the consent of the Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as the Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies without credit or allowance to the Mortgagor for prepaid premiums thereon.

Section 4.7. Rights Cumulative. Each right, power, and remedy herein conferred upon the Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient to the Mortgagee and the exercise or the beginning of the exercise of one any right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

Section 4.8. Waiver of Redemption, Reinstatement, Extension, Appraisement, Stay, Laws. To the extent permitted by law, the Mortgagor will not during the continuance of any Event of Default hereunder insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants and terms of performance of this Mortgage; nor claim, take or insist upon any benefit or advantage of any law now or hereafter in force providing for the valuation or appraisement of the Mortgaged Property, or any part thereof, prior to any sale or sales

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thereof which may be made pursuant to any provision herein contained, or pursuant to the decree, judgment or order of any court of competent jurisdiction; nor before or after any such sale or sales, claim or exercise any right under any statute heretofore or hereafter enacted by the United States of America or by the State to redeem the property so sold or any part thereof; and the Mortgagor hereby expressly waives all benefits or advantage of any such law or laws and covenants not to hinder, delay or impede the execution of any power herein granted or delegated to the Mortgagee, but to suffer and permit the execution of every power as though no such law or laws had been made or enacted. The Mortgagor for itself and all who may claim through or under the Mortgagor waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. In the event of any sale made under or by virtue of this Mortgage, the whole of the Mortgaged Property may be sold in one parcel as an entirety or in separate parcels at the same or different times, all as the Mortgagee may determine. The Mortgagor waives the right of redemption and, to the extent permitted by law, the right of reinstatement, under Applicable State Law.

## ARTICLE V

### RELEASE AND SUBSTITUTION OF MORTGAGED PROPERTY

Section 5.1. Partial Release. Mortgagee shall be required to execute and deliver to Mortgagor releases or subordinations of the lien and encumbrance of this Mortgage (each a "Partial Release") as to specified portions of the Mortgaged Property (each such portion a "Released Property"), provided in each event that (i) at the time of the request for such Partial Release there exists no uncured Event of Default hereunder, and (ii) such Partial Release is to effectuate either (A) the transfer, conveyance or other transaction permitted under the Master Indenture, including but not limited to Sections 417 and 418 thereof, (B) the grant of a lien constituting a Permitted Encumbrance under the terms of the Master Indenture, or (C) a Partial Release which has been consented to by the holders of all Outstanding Obligations under the Master Indenture. Each Partial Release shall be in form and substance acceptable to Mortgagor, Mortgagee and the title insurer and shall be suitable for recording in the office of the County Recorder for the county in which the Released Property is located. A fully executed and notarized Partial Release (or multiple counterparts thereof, if required for recording purposes) shall be delivered by Mortgagee to Mortgagor promptly upon receipt by Mortgagee of the appropriate documents evidencing the foregoing in form and substance reasonably acceptable to Mortgagee.

Section 5.2. Obsolete Property. Notwithstanding anything to the contrary contained in this Article V, if the Mortgagor shall have the right, exercised in the good faith and reasonable judgment, to remove from the Mortgaged Real Estate any items of Collateral that are obsolete, inoperable or worn out and to sell, trade in, exchange or otherwise dispose of such items of Collateral (as a whole or in part), and such Collateral shall be released from the lien of this Mortgage and Mortgagee shall be required to execute and deliver any document required to evidence such release.

Section 5.3. Release and Satisfaction. Upon payment and performance of the Obligations and the indebtedness secured hereby, or otherwise in accordance with the provisions of the Master Indenture, the Mortgagee, upon written request, and at the expense, of the Mortgagor,



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will execute and deliver such proper instruments of release and satisfaction as may be reasonably be requested to evidence such release, and any such instrument, when duly executed by the Mortgagee and duly recorded in the place where this Mortgage is recorded, shall conclusively evidence the release of this Mortgage; provided, however, any of the terms and provisions of this Mortgage that are intended to survive, shall nevertheless survive the release or satisfaction of this Mortgage whether voluntarily granted by the Mortgagee, as a result of a judgment upon judicial foreclosure of this Mortgage or in the event a deed in lieu of foreclosure is granted by the Mortgagor to the Mortgagee.

Section 5.4. Additional Mortgaged Property. Mortgagee and Mortgagor shall execute and deliver a mortgage spreader or such other amendments to this Mortgage as shall be required to subject additional property to the lien and encumbrance of this Mortgage with the prior written consent of the holders of all Outstanding Obligations under the Master Indenture.

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

Section 6.1. Mortgage for Benefit of Parties Hereof. Nothing in this Mortgage, express or implied, is intended or shall be construed to confer upon, or to give to, any person other than the parties hereto and the holders of the Obligations, any right, remedy or claim under or by reason of this Mortgage or any covenant, condition or stipulation hereof, and the covenants, stipulations and agreements in this Mortgage contained are and shall be for the sole and exclusive benefit of the parties hereto, their successors and assigns and the holders of the Obligations.

Section 6.2. Severability. In case any one or more of the provisions contained in this Mortgage or in the Obligations shall be invalid, illegal or unenforceable in any respect the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby.

Section 6.3. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when personally delivered or mailed by registered or certified mail, postage prepaid, return receipt requested, with proper address as indicated below. The Mortgagor and the Mortgagee may, by written notice given by each to the other, designate any address or addresses to which notices, certificates or other communications to them shall be sent when required as contemplated by this Mortgage. Until otherwise provided by the respective parties, all notices, certificates and communications to each of them shall be addressed as follows:

To the Mortgagor:

Rosecrance, Inc.  
 1021 North Mulford Drive  
 Rockford, Illinois 61107  
 Attention: Senior Vice President of Finance and Chief Financial Officer

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To the Mortgagee:

Amalgamated Bank of Chicago  
30 N. LaSalle Street, 38<sup>th</sup> Floor  
Chicago, Illinois 60602  
Attention: Ann Longino, Corporate Trust Department

Section 6.4. Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its respective successors and permitted assigns (including, without limitation, each and every record owner from time to time of the Mortgaged Property or any other person having an interest therein), and shall inure to the benefit of the Mortgagee and its successors and assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagee and its respective successors and permitted assigns, and shall inure to the benefit of the Mortgagor and its successors and assigns.

Section 6.5. Governing Law. It is the intention of the parties hereto that this Mortgage and the rights and obligations of the parties hereunder and the Obligations and the rights and obligations of the parties thereunder, shall be governed by and construed and enforced in accordance with, the laws of the State of Illinois.

Section 6.6. Conflicts with Master Indenture. In the event any of the terms or provisions hereof conflict with the Master Indenture, the Master Indenture shall control to the extent it applies to the Mortgagor or the ownership, operation or use of any of the Mortgaged Property.

Section 6.7. Mortgage Constitutes Fixture Filing.

(a) With respect to any portion of the Mortgaged Property which constitutes fixtures, this Mortgage shall constitute a security agreement between the Mortgagor as the debtor and the Mortgagee as the secured party, and the Mortgagor hereby grants to the Mortgagee a security interest in such portion of the Mortgaged Property. Cumulative of all other rights of the Mortgagee hereunder, the Mortgagee shall have all of the rights conferred upon secured parties by the UCC. The Mortgagor will execute and deliver to the Mortgagee all financing statements that may from time to time be required by the Mortgagee to establish and maintain the validity and priority of the security interest of the Mortgagee, or any modification thereof, and all costs and expenses of any searches required by the Mortgagee. The Mortgagee may exercise any or all of the remedies of a secured party available to it under the UCC with respect to such property, and it is expressly agreed that if upon an Event of Default the Mortgagee should proceed to dispose of such property in accordance with the provisions of the UCC, 10 days' notice by the Mortgagee to the Mortgagor shall be deemed to be reasonable notice under any provision of the UCC requiring such notice; provided, however, that the Mortgagee may at its option dispose of such property in accordance with the Mortgagee's rights and remedies with respect to the real property pursuant to the provisions of this Mortgage, in lieu of proceeding under the UCC.

(b) The Mortgagor shall give advance notice in writing to the Mortgagee of any proposed change in the Mortgagor's name, identity, or business form or structure and will execute and deliver to the Mortgagee, prior to or concurrently with the occurrence of any such change, all

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additional financing statements that the Mortgagee may require to establish and maintain the validity and priority of the Mortgagee's security interest with respect to any of the Mortgaged Property described or referred to herein.

(c) This Mortgage shall be effective as a financing statement filed as a fixture filing with respect to all fixtures included within the Mortgaged Property and is to be filed for record in the real estate records of each county where any part of the Mortgaged Property (including said fixtures) is situated. This Mortgage shall also be effective as a financing statement covering any other Mortgaged Property and may be filed in any other appropriate filing or recording office. The mailing address of the Mortgagor is the address of the Mortgagor set forth in the introductory paragraph of this Mortgage, and the address of the Mortgagee from which information concerning the security interests hereunder may be obtained is the address of the Mortgagee as set forth in the introductory paragraph of this Mortgage. The Mortgagor authorizes the Mortgagee to file one or more financing statements describing the Collateral pursuant to the UCC, with or without signature of the Mortgagor, and in the sole discretion of, and at the request of, the Mortgagee, the Mortgagor will join with the Mortgagee in executing such financing statements; provided, however, that the Mortgagee shall have no responsibility for the filing of any initial financing statement with respect to the Collateral, but the Mortgagor shall undertake such responsibility. The Mortgagor shall pay the cost of filing in all public offices wherever filing is deemed necessary or appropriate by the Mortgagee. A carbon, photograph or other reproduction of this Mortgage or of any financing statement relating to this Mortgage shall be sufficient as a financing statement for any of the purposes referred to in this Section.

Section 6.8. Additional State Provisions. In the event of any inconsistencies between the terms and conditions of this Section 6.8 and the other provisions of this Mortgage, the terms and conditions of this Section 6.8 shall control and be binding.

(a) The recitals set forth in this Mortgage are incorporated herein by reference and made a part of this Mortgage as if fully set forth herein and therein.

(b) The Obligations hereby secured, if not earlier accelerated, have a final maturity date of December 1, 2050.

(c) This Mortgage is intended to secure future advances made hereunder, or under the Master Indenture, and all modifications, extensions and renewals of any of the foregoing, with the same priority as if made on the day of execution of this Mortgage, up to a maximum loan amount of Fifty Million and No Hundredths Dollars (\$50,000,000.00) ("Maximum Amount Secured").

(d) Without limiting the scope of this Mortgage, the assignment of Leases and Rents set forth herein is made pursuant to, and includes, but is not limited to, all rights conferred by the laws of the State of Illinois, and this Mortgage hereby creates, and the Mortgagor hereby grants, a security interest and lien to the Mortgagee in the Leases and Rents that will be perfected upon the recording of this Mortgage. Such assignment shall run with the Mortgaged Property and be good and valid as against the Mortgagor and those claiming by, under or through the Mortgagor, from the date of recording of this Mortgage. Such assignment shall continue to be operative during the foreclosure or any other proceedings taken to enforce this Mortgage. Such assignment does not and shall not be construed as obligating the Mortgagee or any of its successors or assigns to

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perform any of the covenants or undertakings required to be performed by the Mortgagor in any of the Leases.

(e) The Mortgagor hereby acknowledges receipt of a copy of this Mortgage in compliance with the Mortgagee's obligation to deliver a copy of the fixture filing to the Mortgagor pursuant to Section §9-502(b) of the UCC.

(f) Notwithstanding anything in this Mortgage to the contrary, if an Event of Default shall occur and be continuing, the Mortgagor further agrees, at the Mortgagee's request, to assemble the Collateral and make it available to the Mortgagee at the Mortgaged Real Estate or a place designated by the Mortgagee which is reasonably convenient to both the Mortgagee and the Mortgagor.

(g) No waiver made by the Mortgagor in this Mortgage or in any of the other terms and provisions of the Master Indenture shall constitute the consideration for or be deemed to be a waiver or release by the Mortgagee or any judgment holder of the Obligations of the right to seek a deficiency judgment against the Mortgagor or any other person or entity who may be personally liable for the Obligations, which right to seek a deficiency judgment is hereby reserved, preserved and retained by the Mortgagee for its own behalf and its successors and assigns.

(h) The Mortgagor represents that none of the Mortgaged Property is occupied by the Mortgagor as its principal residence and agrees that the Mortgagee shall be entitled to the appointment of a receiver in accordance with 735 ILCS 5/15-1704 in any foreclosure action by the Mortgagee seeking to enforce this Mortgage, and subject to the terms and provisions of this Mortgage, any such receiver, when duly appointed, shall have all of the powers and duties of receivers pursuant to Applicable State Law.

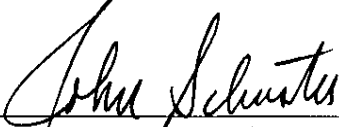
(i) Anything contained in this Mortgage or the Master Indenture to the contrary notwithstanding, the Mortgagee or the Mortgagee's assignee or representative may not require the Mortgagor, as a condition of receiving or maintaining this Mortgage, to obtain hazard insurance coverage against risks to improvements on the Real Estate in an amount exceeding the replacement value of the buildings, structures and improvements constituting part of the Mortgaged Real Estate in violation of Applicable State Law.

(j) If, after the date of this Mortgage, the Mortgagor acquires any property located on the Mortgaged Property and that by the terms of this Mortgage is required or intended to be encumbered by this Mortgage, the property shall become subject to the lien and security interest of this Mortgage immediately upon its acquisition by the Mortgagor and without any further mortgage, conveyance, assignment or transfer. Nevertheless, upon the Mortgagee's request at any time, the Mortgagor will execute, acknowledge and deliver any additional instruments and assurances of title and will do or cause to be done anything further that is reasonably necessary for carrying out the intent of this Mortgage.

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IN WITNESS WHEREOF, the Mortgagor has caused this Mortgage to be executed by its duly authorized officer, all as of the date first above written.

ROSECRANCE, INC., an Illinois not-for-profit corporation

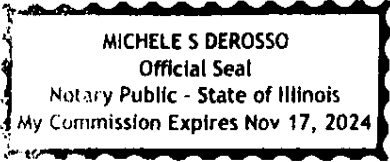
By:   
John Schuster  
Senior Vice President of Finance  
and Chief Financial Officer


STATE OF ILLINOIS         )  
  ) SS  
COUNTY OF WINNEBAGO   )

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that John Schuster, the Senior Vice President Finance and Chief Finance Officer of Rosecrance, Inc., an Illinois not-for-profit corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal this 4<sup>th</sup> day of May, 2021.

[SEAL]



  
Notary Public  
Michele DeRosso  
Printed Name

My Commission Expires:

11/17/2024

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## EXHIBIT A

### LEGAL DESCRIPTION

LOTS 70 AND 71 (EXCEPT THOSE PARTS TAKEN FOR ROAD PURPOSES) IN OSCAR CHARLES ADDITION TO LANE PARK, A SUBDIVISION IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**Common Address:** 3701 North Ashland Avenue, Chicago, Illinois

**P.I.N.:** 14-20-111-014-000

Property of Cook County Clerk's Office



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**EXHIBIT B**

**PERMITTED EXCEPTIONS**

See Attached

COOK COUNTY CLERK OFFICE  
RECORDING DIVISION  
118 N. CLARK ST. ROOM 120  
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE  
RECORDING DIVISION  
118 N. CLARK ST. ROOM 120  
CHICAGO, IL 60602-1387

COOK COUNTY CLERK OFFICE  
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Property of Cook County Clerk's Office