

70-29-731-63

MORTGAGE, ASSIGNMENT OF RENTS and SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (hereinafter referred to as this "Mortgage") is made as of December 1, 1985, by and between MICHAEL REESE HEALTH PLAN, INC., a corporation chartered under the Illinois Voluntary Health Services Plans Act, with an address of 2545 South King Drive, Chicago, Illinois 60616 (hereinafter referred to as "Mortgagor"), AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, a national banking association, with its principal place of business at 33 North LaSalle Street, Chicago, Illinois 60690 (hereinafter referred to as "ANB") and THE INDUSTRIAL BANK OF JAPAN, LTD., New York Branch, with its principal place of business at 245 Park Avenue, New York, New York 10167 (hereinafter referred to as "Industrial") (ANB and Industrial being hereinafter referred to collectively as "Mortgagee").


WITNESSETH:

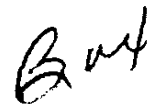
1. DEFINITIONS

1.1 Wherever used in this Mortgage, "Master Indenture" means that certain Master Trust Indenture by and between Mortgagor and Mellon Bank, N.A., as Master Trustee, dated as of December 1, 1985, and "Bond Indenture" means that certain Bond Trust Indenture by and between the Illinois Health Facilities Authority and Illinois National Bank of Springfield, as Bond Trustee, dated as of December 1, 1985. Words and phrases not otherwise defined herein shall have the meanings assigned thereto in the Master Indenture and the Bond Indenture.

1.2 Wherever used in this Mortgage, "Mortgagor's Liabilities" means any and all of the following: (i) the payment of any and all monies, including, but not limited to, the payment, when due or declared due, of the principal sum thereof and interest thereon, now and/or hereafter owed or to become owing by Mortgagor to Mortgagee under and/or pursuant to the terms and provisions of that certain Direct Note Obligation, Series 1985 B (hereinafter referred to as the "Note") of even date herewith, executed and delivered by Mortgagor to Mortgagee and payable to Mortgagee in the principal sum of Twenty-five Million Six Hundred Thirty-six Thousand Nine Hundred Eighty-six and No/100 Dollars (\$25,636,986.00) which matures on or before January 20, 1991; (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 Mortgagor to Mortgagee under and/or pursuant to the terms and provisions of this Mortgage; and (iii) the payment of any and all other debts, claims,

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THIS INSTRUMENT WAS PREPARED BY:
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obligations, demands, monies, liabilities and/or indebtedness (of any and every kind or nature) now and/or hereafter owing, arising, due or payable from Mortgagor to Mortgagee, howsoever evidenced, created, incurred, acquired or owing, whether primary, secondary, direct, contingent, fixed or otherwise, and arising under and/or pursuant to the terms and provisions of any other agreements, security agreements, assignments of leases and rents, instruments and/or documents now and/or hereafter executed and delivered by or for Mortgagor to Mortgagee, including, without limitation, that certain Letter of Credit, Bank Bond Purchase and Reimbursement Agreement (the "Letter of Credit Agreement") of even date herewith by and between Mortgagor and Mortgagee (said documents are hereinafter collectively referred to as the "Other Agreements"). Notwithstanding the foregoing, this Mortgage shall not secure indebtedness in excess of Fifty Million and No/100 Dollars (\$50,000,000.00).

1.3 Wherever used in this Mortgage, "Mortgagor's Obligations" means the prompt, full and faithful performance, discharge, compliance and observance by Mortgagor of each and every term, condition, warranty, representation, agreement, undertaking, covenant and provision to be performed, discharged, observed or complied with by Mortgagor in this Mortgage, the Note and/or in the Other Agreements.

1.4 Wherever used in this Mortgage, "Mortgaged Property" means any and all of the following: (i) all of the following described real estate, including all of Mortgagor's leasehold estate created under that certain Ground Lease dated as of May 18, 1982, by and between Michael Reese Hospital and Medical Center ("Ground Lessor"), as lessor, and Mortgagor, as lessee, a memorandum of which was recorded on December 22, 1982 in the Recorder's Office of Cook County as Document No. 26445960 (the "Lake Shore 1 Lease"), and that certain Ground Lease dated as of December 27, 1985, by and between Ground Lessor, as lessor, and Mortgagor, as lessee, a memorandum of which was recorded on December 27, 1985 in the Recorder's Office of Cook County as Document No. 85 340 489 (the "Lake Shore 2 Lease") (the Lake Shore 1 Lease and the Lake Shore 2 Lease being collectively referred to herein as (the "Ground Lease"), and all of Mortgagor's estate, right, title and interest therein, whether now owned or hereafter acquired, situated, lying and being in the County of Cook, State of Illinois, and legally described on Exhibit "A" attached hereto and made a part hereof (the "Land"), together with all buildings, improvements, tenements, easements, hereditaments, and appurtenances now and/or at any time or times hereafter upon, belonging or otherwise appertaining to or situated on said real estate and all heretofore or hereafter roads, alleys, streets and other public ways abutting said real estate, whether before or after vacation thereof (hereinafter collectively with the Land referred to as the "Premises"); (ii) all present and future rents, issues, avails, profits and proceeds under present or future leases (which are pledged primarily and on a parity with said Premises and not secondarily), (hereinafter referred to as the "Rents") of or from the Premises, the "Leases" and/or the "Equipment" (both of which terms are hereinafter defined), howsoever occurring, existing, created or arising; (iii) all present and future leases, agreements, tenancies, licenses

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and franchises (hereinafter 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 usable in connection with the Premises and/or the Equipment or the management, maintenance, operation or business thereof, 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; (iv) all present and future judgments, awards of damages and settlements made as a result or in lieu of any taking of the Premises, the Equipment 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; (v) all present and future apparatus, machinery, equipment, fixtures and articles of personal property of any and every kind and nature whatsoever now owned or hereafter acquired by the Mortgagor, and used, attached to, installed or located in or 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 (hereinafter referred to as the "Equipment"), to the extent owned by Mortgagor, including, but not limited to, any such item 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, incineration, recreation and all other related or other such services (all of the immediately above mentioned items of Equipment being deemed to be a part of the Premises, whether physically attached hereto or not), but not including any items of personality owned by tenants or persons other than the Mortgagor; (vi) all present and future insurance policies in force or effect insuring the Premises, the Rents, the Leases or the Equipment; and (vii) all proceeds of each and all of the foregoing.

1.5 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.

1.6 Whenever used in this Mortgage, the term "Ground Lease" shall mean the Ground Lease defined above and any and all present or future modifications, amendments, additions, substitutions, replacements, extensions and renewals thereof.

2. CONVEYANCE

2.1 To secure the payment by Mortgagor of Mortgagor's Liabilities and the performance by Mortgagor of Mortgagor's Obligations, Mortgagor hereby does MORTGAGE to Mortgagee, its successors and assigns, forever, the Mortgaged Property, for the purposes and uses set forth in this Mortgage; provided, nevertheless, that if Mortgagor, its successors or assigns, shall satisfy, discharge and otherwise pay to Mortgagee, its successors or assigns, in full, Mortgagor's Liabilities and keep and perform all of Mortgagor's Obligations, then this Mortgage shall become null and void and shall be released at Mortgagor's expense.

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2.2 This Mortgage shall operate as and constitute a Security Agreement with respect to that portion of the Mortgaged Property constituting property or interests in property, whether real or personal, tangible or intangible, which are subject to the priority and perfection of security interest provisions of the Uniform Commercial Code or any similar and applicable law, statute, code or other governing body of law. Therefore, to secure the payment by Mortgagor of Mortgagor's Liabilities and the performance by Mortgagor of Mortgagor's Obligations, Mortgagor hereby grants to Mortgagee a security interest in the Mortgaged Property and Mortgagor does hereby set over, assign, and transfer to Mortgagee all of the Leases and Rents subject to the terms and conditions of this Mortgage.

2.3 Mortgagor, within ten (10) days after request by Mortgagee therefor, will certify, in writing, to Mortgagee, or to any proposed assignee of this Mortgage, the amount of principal and interest then owing and unpaid under the Note and whether Mortgagor has or asserts any offsets or defenses thereto.

2.4 Mortgagor, immediately upon request by Mortgagee, at Mortgagor's sole expense, will or will cause to be made, executed and delivered to Mortgagee, in form and substance acceptable to Mortgagee, all "Documents" (as hereinafter defined) that Mortgagee is advised are and/or deems necessary or appropriate to evidence, document or conclude the transactions described in and/or contemplated by this Mortgage, the Note or the Other Agreements or required to perfect or continue perfected, as valid encumbrances, the encumbrances granted herein or in the Other Agreements by or for Mortgagor to Mortgagee upon the Mortgaged Property. As used in this Paragraph, "Documents" means any mortgage, deed of trust or similar instrument, assignment of leases, assignment of rents, note, security agreement, financing statement, assignment of insurance, loss payable clause, mortgage title insurance policy, letters of opinion, estoppel letter, insurance certificate, appraisal, survey and any other similar such agreements or documents.

3. COVENANTS, WARRANTIES AND REPRESENTATIONS

3.1 Mortgagor covenants with and warrants and represents to Mortgagee as follows:

(i) Mortgagor promptly will pay, or cause to be paid, when due or declared due, Mortgagor's Liabilities and promptly, fully and faithfully will perform, discharge, observe and comply with each and all of Mortgagor's Obligations.

(ii) Mortgagor now has and hereafter shall maintain the standing, right, power and lawful authority to own the Mortgaged Property as hereinabove described, to carry on the business of and operate the Mortgaged Property, to enter into, execute and deliver this Mortgage, the Note and the Other Agreements to Mortgagee, to encumber the Mortgaged Property to Mortgagee as provided herein and to perform all

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of Mortgagor's Obligations and to consummate all of the transactions described in or contemplated by this Mortgage, the Note and the Other Agreements.

(iii) The execution, delivery and performance by Mortgagor of and under this Mortgage, the Note and the Other Agreements, does not and will not constitute a violation of any applicable law and does not and will 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, note, judgment, order, award, decree or other restriction to which Mortgagor or any of the Mortgaged Property is or hereafter shall become a party, or by which Mortgagor or any of the Mortgaged Property is or hereafter shall become bound, or any law or regulatory provision now or hereafter affecting Mortgagor or any of the Mortgaged Property.

(iv) The various financial and operating statements relating to the Mortgaged Property and the operation of business thereof heretofore and from time to time hereafter delivered by or for Mortgagor to Mortgagee are and shall be 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 and shall be prepared in accordance with proper accounting standards, consistently applied, unless otherwise specifically indicated.

(v) 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 Mortgagor to Mortgagee are and shall be correct, complete and accurate in all material respects.

(vi) Mortgagor has duly filed and shall continue to timely file all federal, state and other governmental tax and similar returns which Mortgagor is required by law to file with respect to the Mortgaged Property and the operation and business thereof. All taxes and other sums which are shown to be payable under such returns shall be timely and fully paid, and Mortgagor shall maintain adequate reserves in amounts sufficient to fully pay all such liabilities which hereafter may accrue.

(vii) All of the Leases are or shall be genuine, in all respects that they purport to be, free of set-offs, counterclaims or disputes and valid and enforceable in accordance with their terms; all parties to the Leases have and shall have the capacity to contract thereunder; and except for security deposits and rent being paid in advance monthly on the first day of each month provided for under the Lease, and revealed by Mortgagor to Mortgagee in writing, no advance payments have been or shall be made thereunder.

(viii) There is no litigation, action, claim or proceeding pending or threatened which might, in any way, manner or respect, materially or adversely affect the Mortgaged Property, the operation or the business thereof, Mortgagee's encumbrances thereon, the collectibility of the

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Note, the ability of Mortgagor to repay the Note or the financial condition of the Mortgaged Property or the operation or business thereof.

(ix) The Mortgaged Property now consists of and is in the same condition, ordinary wear and tear excepted, as it was when Mortgagee last inspected it.

(x) Upon completion of the improvements on the Premises, Mortgagor and the Mortgaged Property will possess and hold and shall thereafter maintain adequate properties, interests in properties, leases, licenses, franchises, rights and governmental and other permits, certificates, consents and approvals to conduct and operate the business of the Mortgaged Property. None of the foregoing contain or shall contain any term or condition that is materially burdensome to said business or different than those of the foregoing possessed or held by other parties conducting or operating a similar business.

(xi) There does not exist and hereafter there shall not arise any default or breach of or under any agreement, instrument or document for borrowed money by which Mortgagor or the Mortgaged Property is bound or obligated.

(xii) The location, existence and use of the Premises and the Equipment are and shall remain 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, and no notice of violation of said laws, rules and ordinances has been issued and remains uncorrected.

(xiii) Mortgagor is and shall remain in peaceful possession of and will forever warrant and defend the Mortgaged Property from and against any and all claims thereon or thereto of any and all parties.

(xiv) Mortgagor will save and hold Mortgagee harmless of and from any and all damage, loss, cost and expense, including, but not limited to, reasonable attorneys' fees, costs and expenses, incurred by reason of or arising from or on account of or in connection with any suit or proceeding, threatened, filed and/or pending, in or to which Mortgagee is or may become or may have to become a party by reason of, or arising from, or on account of, or in connection with Mortgagor's Liabilities, this Mortgage, the Note or the Other Agreements.

(xv) This Mortgage is lawfully executed and delivered in full conformity with the Ground Lease.

3.2 Mortgagor covenants with and warrants and represents to Mortgagee that (i) Mortgagor is lawfully seized, possessed and the owner of and has good and indefeasible title to the Mortgaged Property, free and clear of debts, exceptions, security interests, assessments, and all other types of encumbrances (hereinafter referred to as the "Encumbrances") except the Encumbrances of Mortgagee and the Permitted Encumbrances (as said term is defined in the Master Indenture); (ii) there does not exist now nor will Mortgagor

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suffer to occur any default under the Ground Lease; (iii) the Ground Lease is valid, binding and enforceable against the Ground Lessor, Mortgagor has not received any notice of default or termination by the Ground Lessor, the Ground Lease is in full force and effect as of the date hereof, and all of the covenants and obligations to be performed by Mortgagor under the Ground Lease have been fully and promptly performed as of the date hereof; and (iv) Mortgagor will not suffer to occur any change or amendment to the terms and provisions of the Ground Lease which would have a material effect on the value of the Ground Lease or this Mortgage without Mortgagee's prior written consent, which consent shall not be unreasonably withheld.

3.3 Mortgagor covenants with and warrants and represents to Mortgagee as follows:

(i) Mortgagor 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. Mortgagor shall not remove any fixture or demolish any building or improvement located in or on the Premises without the approval of Mortgagee, which approval shall not be unreasonably withheld. Mortgagor shall pay for and complete, within a reasonable time, 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 Mortgagee diminishes its value, and promptly shall repair, restore or rebuild any building or improvement now or hereafter on the Premises which may become damaged or destroyed. Mortgagor shall comply with all requirements of law and all municipal ordinances governing the Mortgaged Property and the use thereof. Mortgagor shall permit Mortgagee, and its agents, upon demand, to have access to, and to inspect the Mortgaged Property at all reasonable times.

(ii) Mortgagor promptly 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, levys, 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 Mortgagee duplicate receipts evidencing payment thereof at least thirty (30) days before delinquency. To prevent default hereunder, and so long as Mortgagor is not in default hereunder, under the Note or the Other Agreements, in the event of a disputed charge, imposition, levy, claim, demand, assessment or lien, Mortgagor shall be permitted to contest same so long as Mortgagor shall (A) contest, in good faith and at its sole cost and expense, the existence, amount or validity of any such charge, imposition, levy, claim,

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demand, assessment or lien which, if unpaid, might result in or permit the creation of a lien on the Mortgaged Property, by appropriate legal proceedings which shall operate during the pendency thereof to prevent (1) the collection or other realization upon said charge, imposition, levy, claim, demand, assessment or lien, (2) the sale, forfeiture or loss of any part of the Mortgaged Property to satisfy the same or pay damages on account thereof, and (3) any interference with the use or occupancy of the Mortgaged Property or any part thereof, (B) give written notice to Mortgagee of the intention of Mortgagor to proceed with a contest, such notice to specify the nature and amount of the charge, imposition, levy, claim, demand, assessment or lien to be contested, as may be appropriate, and (C) post with Mortgagee or with a title insurance company licensed to do business in Illinois and reasonably acceptable to Mortgagee, security acceptable to bond over such charge, imposition, levy, claim, demand, assessment or lien. Upon payment in full, performance, settlement, release or other complete discharge or satisfaction of the charge, imposition, levy, claim, demand, assessment or lien that has been contested as provided herein, any balance of the funds deposited as provided herein as a condition to the right to prosecute such contest and not utilized in effecting such payment shall be paid to Mortgagor, without interest. Mortgagor agrees that each contest hereunder shall be promptly prosecuted to a final conclusion. Mortgagor further agrees to pay, and save Mortgagee harmless against, any and all losses, judgments, decrees and costs (including all reasonable attorneys' fees and expenses) in connection with any such contest and will, promptly with the final settlement, compromise or determination of such contest, fully pay and discharge the amounts which may be levied, assessed, charged or imposed or be determined to be payable therein or in connection therewith, together with penalties, fines, interests, costs and expenses thereof or in connection therewith, and perform all acts the performance of which shall be ordered or decreed as a result thereof. No such contest shall subject Mortgagee to the risk of any loss, damage, civil liability or criminal liability. In the event Mortgagor shall fail to contest the validity of any charge, imposition, levy, claim, demand, assessment, or lien and give security to Mortgagee or a title insurance company, as aforesaid, to insure payment thereof as hereinabove permitted, or having commenced to contest the same and having given such security, shall fail to prosecute such contest with diligence, or shall fail to have the same released and satisfy any judgment rendered thereon, then Mortgagee may, at its election (but shall not be required to do so), remove or discharge the same by paying said charge, imposition, levy, claim, demand, assessment or lien, or any judgment resulting therefrom, in full without obligation to verify the validity thereof (or, in its sole and absolute discretion, to settle or compromise the same), and any amounts advanced by Mortgagee for such purposes shall be an additional indebtedness due under the Note and secured hereby and due Mortgagee and payable immediately upon demand, with interest thereon at the Default Interest Rate as defined in the Note. If Mortgagee is required by legislative enactment or judicial decision to pay the United States of America, the State of Illinois or any political subdivision thereof, any charge, imposition, assessment, levy or tax on the Mortgaged

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Property (or on any interest therein), this Mortgage, the Other Agreements or Mortgagor's Liabilities, all of Mortgagor's Liabilities shall become and be due and payable, at the election of Mortgagee, thirty (30) days after the mailing of notice of such election to Mortgagor; provided, however, said election and right to elect will be unavailing and this Mortgage, the Note and the Other Agreements will be and remain in full force and effect as though said law had not been enacted or said decision had not been rendered if, notwithstanding such law or decision, Mortgagor lawfully may pay such charge, imposition, assessment, levy or tax to or for Mortgagee and does, in fact, pay, when payable, such charge, imposition, assessment, levy or tax. Notwithstanding the foregoing, Mortgagor shall have no obligation to pay any income or profit tax that is or may be imposed upon Mortgagee as a consequence of its general business activities, including the receipt of interest or other charges under the Note, this Mortgage and the Other Agreements. If at any time the United States of America shall require internal revenue stamps to be affixed to this Mortgage, the Note or the Other Agreements, Mortgagor will pay for the same, together with any interest or penalties imposed in connection therewith.

(iii) Mortgagor 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 those permitted in Paragraph 3.2 above, 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 Mortgagee, shall deliver to Mortgagee evidence satisfactory to Mortgagee of the payment and discharge thereof. To prevent default hereunder, and so long as Mortgagor is not in default hereunder, under the Note or the Other Agreements, Mortgagor may indemnify Mortgagee, by suitable performance bond or title insurance endorsement, or by another means reasonably acceptable to Mortgagee, against loss by reason of such an Encumbrance which Mortgagor may desire, in good faith, to contest, and Mortgagor shall comply with the provisions of 3.3(ii) hereof relative to contesting charges, liens, etc. If, in accordance with the terms of this Mortgage, Mortgagee makes payment of any such Encumbrance, Mortgagee shall be subrogated to the rights of such claimant notwithstanding that the Encumbrance may be released of record.

(iv) Mortgagor shall not, at any time or times hereafter, pledge, hypothecate or otherwise encumber all or any portion of the Mortgaged Property or its interest therein. Without the prior written consent of Mortgagee, Mortgagor shall not sell or otherwise transfer all or any portion of the Mortgaged Property or Mortgagor's interest therein.

(v) All present and future items of fixtures, equipment, furnishings or other tangible personal property owned by Mortgagor (whether or not constituting a part of the Mortgaged Property) related or necessary to or used or usable in connection with any present or future building or improvement on the Premises, or the operation or business thereof,

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are and will be owned free and clear of all Encumbrances except those permitted in Paragraph 3.2 above and Mortgagor will not acquire any such property subject to any Encumbrance except those Encumbrances permitted in Paragraph 3.2 above. Within five (5) days after request by Mortgagee, Mortgagor will execute and deliver to Mortgagee a security agreement and financing statement, in form and substance acceptable to Mortgagee, covering all such property.

(vi) With respect to the Mortgaged Property and the operation and business thereof, Mortgagor will keep or cause to be kept proper books and records, prepared in accordance with generally accepted accounting principles consistently applied. Mortgagee shall have the right to examine said books and records at any time or times hereafter upon demand, but only during customary business hours. Within ninety (90) days after the end of each fiscal year hereafter of the operation and business of the Mortgaged Property, Mortgagor shall deliver to Mortgagee an annual operating statement of income and expenses and an annual balance sheet of assets and liabilities of said operation and business for the fiscal year just ended, which statement must be signed and certified as true, correct and accurate by the chief financial officer of Mortgagor. Within thirty (30) days after the end of each quarter hereafter of the operation and business of the Mortgaged Property, Mortgagor shall deliver to Mortgagee a quarterly operating statement of income and expenses and a quarterly balance sheet of assets and liabilities of said operation and business for the quarter just ended, which statement must be signed and certified as true, correct and accurate by the chief financial officer of Mortgagor.

(vii) From and after the date hereof:

(a) The Mortgagor, will promptly and fully pay, when due and payable, the rent, additional rents, taxes and all other sums and charges mentioned in and made payable by Mortgagor to the Ground Lessor under the Ground Lease.

(b) The Mortgagor will promptly, fully and faithfully perform and observe all of the terms, covenants, obligations and conditions required to be performed and observed by the Mortgagor as lessee under the Ground Lease, within the periods (inclusive of grace periods) provided in the Ground Lease, or such lesser periods as are provided in this Mortgage, and will do all things necessary to preserve and to keep unimpaired its and/or Mortgagee's rights under this Mortgage and/or the Ground Lease.

(c) Mortgagor will promptly notify the Mortgagee in writing of any notice of default from the Ground Lessor received by the Mortgagor with respect to the performance or observance of any of the terms, covenants, or conditions on the part of the Mortgagor to be performed or observed under the Ground Lease.

(d) The Mortgagor will (a) promptly notify the Mortgagee in writing of the receipt by the Mortgagor of any notice (other than notices customarily sent on a regular periodic basis) from the Ground Lessor under the Ground Lease and of any notice noting or claiming any default by the

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Mortgagor in the performance or observance of any of the terms, covenants, obligations, and/or conditions on the part of the Mortgagor to be performed or observed under the Ground Lease; (b) promptly notify Mortgagee in writing of the receipt by the Mortgagor of any notice from the Ground Lessor under the Ground Lease to the Mortgagor of termination of the Ground Lease; and (c) promptly cause a copy of each such notice received by the Mortgagor from the Ground Lessor under the Ground Lease to be delivered to the Mortgagee.

(e) The Mortgagor will promptly notify the Mortgagee in writing of any request made by either party to the Ground Lease for arbitration proceedings pursuant to the Ground Lease and of the institution of any arbitration proceedings, as well as of all proceedings thereunder, and will promptly deliver to the Mortgagee a copy of the determination of the arbitrators in each such arbitration proceeding in association with Mortgagor or on its own behalf as an interested party.

(f) Except as otherwise provided herein, the Mortgagor will not, without the prior written consent of the Mortgagee, terminate, amend, supplement, modify or surrender or suffer or permit any termination, amendment, supplement, modification, or surrender of the Ground Lease. Further, in the event that Mortgagor's Liabilities are not fully paid to Mortgagee on the date upon which the original term of the Ground Lease expires, Mortgagor shall, without request or demand by Mortgagee, exercise, in accordance with the Ground Lease, any right and option now or hereafter granted to Mortgagor as lessee under the Ground Lease to extend or renew the term of the Ground Lease. The term of the Ground Lease, as extended or renewed, shall be further extended or renewed, as applicable, by Mortgagor in accordance with this Sub-Paragraph upon the expiration of any extended or renewal term until such time as Mortgagor's Liabilities are paid in full.

(g) Mortgagor, irrevocably, hereby designates, makes, constitutes and appoints Mortgagee (and all persons designated by Mortgagee) as Mortgagor's true and lawful attorney and agent-in-fact, with power upon the occurrence of an Event of Default under this Mortgage or under the Ground Lease, without notice to Mortgagor and at such time or times thereafter as Mortgagee, at its sole election, may determine, in the name of Mortgagor, Mortgagee or in both names: (i) to exercise all of Mortgagor's rights, interests and remedies in and under the Ground Lease, including, without limitation, Mortgagor's right to renew or extend the original term of the Ground Lease or any renewal or extended terms thereof; (ii) to initiate such legal proceedings and to settle, adjust or compromise any legal proceedings deemed necessary by Mortgagee in its sole discretion in order to enforce the provisions of the Ground Lease or prevent the termination thereof; (iii) to commence or institute arbitration proceedings, or to participate in any arbitration proceedings commenced or instituted, pursuant to the Ground Lease deemed necessary to Mortgagee in its sole discretion; (iv) to approve all arbitration determinations, awards or findings made pursuant to the provisions of the Ground Lease; (v) to do any and all things necessary, in Mortgagee's sole opinion, to preserve and keep unimpaired

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Mortgagee's rights under this Mortgage and/or the Ground Lease; and (vi) to do all acts and things necessary, in Mortgagee's sole discretion, to carry out any or all of the foregoing.

(h) The Mortgagor will, forthwith after written demand from the Mortgagee, obtain from the Ground Lessor under the Ground Lease and deliver to the Mortgagee a certificate stating that such Ground Lease is in full force and effect, is unmodified, that no notice of termination has been served on the lessee thereof, stating the date to which the rent and other sums due the Ground Lessor under the Ground Lease have been paid and stating whether or not the Ground Lessor knows of any defaults thereunder on the part of the lessee thereunder or any condition or event which by service of notice or passage of time, or both, if uncured would constitute a default thereunder and specifying in detail the nature of such defaults, if any. In addition, Mortgagor shall use its best efforts to include in such certificate such other statements, confirmations and acknowledgements by the Ground Lessor as Mortgagee deems reasonably necessary in its sole discretion.

(i) The Mortgagor will furnish to the Mortgagee, forthwith upon demand, proof of payment of all items which are required to be paid by the Mortgagor, as lessee, pursuant to the Ground Lease.

(j) Except as otherwise provided herein, the Mortgagor shall not consent to any waiver or modification or cancellation of any provision of the Ground Lease nor to the subordination of the Ground Lease to any mortgage of the fee interest of the lessor thereof or any other party in the Mortgaged Property or any portion thereof.

(k) The Mortgagor shall execute and deliver, upon request of the Mortgagee, such instruments as the Mortgagee may deem useful or required to permit the Mortgagee to cure any default under the Ground Lease or permit the Mortgagee to take such other actions as the Mortgagee considers desirable to cure or remedy any matter in default and preserve the interest of the Mortgagee in the Mortgaged Property.

(l) So long as any of Mortgagor's Liabilities shall remain unpaid, unless the Mortgagee shall otherwise consent in writing, the fee title to and the leasehold estate in the Mortgaged Property, or any portion thereof) shall not merge, but shall always be kept separate and distinct, notwithstanding the union of such estates either in the lessor or the lessee under the Ground Lease or in a third party, by purchase or otherwise.

(m) If the Ground Lease shall be terminated prior to the natural expiration of its term due to default by the lessee or tenant thereunder, and if, pursuant to any provision of the Ground Lease, the Mortgagee or its designee shall acquire from the Ground Lessor a replacement lease of the Premises, no right, title or interest in or to such new lease or the leasehold estate created thereby, or renewal or

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extension privileges or options to purchase or rights of first refusal therein contained shall vest in the Mortgagor or its successors or assigns.

(n) The generality of the provisions of this paragraph relating to the Ground Lease shall not be limited by other provisions of this Mortgage setting forth particular obligations of the Mortgagor which are also required to be performed by the Mortgagor as the lessee of the Ground Lease.

3.4 If Mortgagor, immediately after written demand from Mortgagee: at any time after completion of the improvements being constructed on the premises shall neglect or refuse to keep the Mortgaged Property in good operating condition and repair or to replace or maintain the same as herein agreed; or shall fail to pay the premiums for the insurance which is required to be maintained hereunder, shall fail to pay and discharge all Encumbrances as herein agreed, or otherwise defaults in the performance of Mortgagor's Obligations, Mortgagee, at its sole election, may cause such repairs or replacements to be made, obtain such insurance, pay such Encumbrances or perform such Obligations. Any amounts paid by Mortgagee in taking such action, together with interest thereon at the Default Interest Rate set forth in the Note, from the date of Mortgagee's payment thereof until repaid by Mortgagor to Mortgagee, shall be due and payable by Mortgagor to Mortgagee upon demand, and, until paid, shall constitute a part of Mortgagor's Liabilities secured by this Mortgage. Notwithstanding the foregoing, such advances by Mortgagee shall not be deemed to relieve Mortgagor from any default hereunder or impair any right or remedy consequent thereon. The exercise of the right to take such action shall be optional with Mortgagee and not obligatory upon Mortgagee and Mortgagee shall not in any case be liable to Mortgagor for failure or refusal to exercise any such right. In making any payments pursuant to the exercise of any such right, Mortgagee may rely upon any bills delivered to it by Mortgagor or any such payee and shall not be liable for any failure to make payments in any amounts other than as set forth in any such bills.

3.5 Notwithstanding anything contained herein, Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, whether hereunder, under any of the Leases affecting the Mortgaged Property, under any contract relating to the Mortgaged Property or otherwise, and Mortgagor shall and does hereby agree to indemnify against and hold Mortgagee harmless of and from: any and all liability, loss or damage which Mortgagee may incur under or with respect to any portion of rights hereunder; and any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any of the contracts, documents or instruments affecting any portion of the Mortgaged Property or effecting any rights of the Mortgagor thereto. Mortgagee shall not have responsibility for the control, care, management, or repair of the Mortgaged Property or be responsible or liable for any negligence other than acts of gross negligence in the management, operation,

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upkeep, repair or control of the Mortgaged Property or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Mortgaged Property resulting in loss or injury or death to any tenant, licensee, employee, stranger or other person. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and Mortgagor expressly waives and releases any such liability except as provided hereinabove. Should Mortgagee incur any such liability, loss or damage under any of the leases affecting the premises or under or by reason hereof, or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagee immediately upon demand for the full amount thereof, including reasonable costs, expenses and attorneys' fees.

3.6 Mortgagor and Mortgagee acknowledge and agree that in no event shall Mortgagee be deemed to be a partner or joint venturer with Mortgagor. Without limitation of the foregoing, Mortgagee shall not be deemed to be such a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the indebtedness secured hereby, or otherwise.

3.7 Any and all property described on Exhibit "B" attached hereto hereafter acquired shall ipso facto, and without further conveyance, assignment or act on the part of Mortgagor or Mortgagee, become and be subject to the lien of this Mortgage as fully and as completely as though specifically described herein, but nevertheless Mortgagor shall from time to time deliver any and all such further assurances, conveyances and assignments thereof as the Mortgagee may require for the purpose of expressly and specifically subjecting to the lien of this Mortgage any and all such property.

4. TAXES, INSURANCE AND CONDEMNATION

4.1 (A) Mortgagor, at all times, shall keep and maintain the Mortgaged Property fully insured (without co-insurance) against loss or damage by, or abatement of rental income resulting from, fire and extended coverage, malicious mischief and vandalism, and such other hazards, casualties and contingencies as Mortgagee, from time to time, may require in companies, form, amounts and for such periods as is satisfactory to Mortgagee, but, in any event, for not less than the greater of the outstanding principal balance of the Note and the full replacement value of the Mortgaged Property, and all completed improvements, fixtures and equipment from time to time on the Land, without deduction for depreciation. Without limiting the generality of the foregoing, such policies shall include during construction of the improvements on the Land:

(i) Builder's Risk Insurance on an "all risk" basis for 100% of the insurable value of all construction work in place or in progress from time to time, insuring the improvements in the Land, including materials in storage and

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while in transit, against loss or damage by fire or other casualty, with extended coverage, "X," "C" and "U" coverage, vandalism and malicious mischief coverage, bearing replacement cost and agreed amount endorsements;

(ii) Comprehensive general liability insurance in an amount not less than \$1,000,000 for injury to or death of one person and \$3,000,000 for injury to or death of more than one person;

(iii) Boiler and Machinery Insurance when such fixtures and equipment, if any, are connected and ready for use; and

(iv) Statutory Workmen's Compensation Insurance.

All such policies and renewals thereof (hereinafter referred to as the "policies"), to be issued by companies satisfactory to Mortgagee, shall contain, in form and substance acceptable to Mortgagee, standard mortgagee loss payable clauses naming Mortgagee as "Mortgagee", as well as a standard waiver of subrogation endorsement and a "Replacement Cost Endorsement" together with an "agreed amount endorsement" sufficient to prevent Mortgagor from being deemed a co-insurer and shall be delivered, as issued, to Mortgagee, with premiums therefor paid in full by Mortgagor. Mortgagor shall also keep in effect rent loss insurance and/or business interruption insurance. All policies shall provide that they are non-cancellable by the insurer without first giving at least thirty (30) days prior written notice to Mortgagee of any intended cancellation. Mortgagor will give immediate written notice to Mortgagee of any loss or damage to the Mortgaged Property caused by any casualty. In case of policies about to expire, Mortgagor will deliver to and deposit with Mortgagee renewal policies not less than forty-five (45) days prior to the respective dates of expiration. Mortgagor will deliver and deposit with Mortgagee receipts for the payment of the current annual premiums on all policies. In the event of foreclosure of this Mortgage or assignment hereof by Mortgagee or transfer of title to the Mortgaged Property in extinguishment of Mortgagor's Liabilities, all right, title and interest of Mortgagor in and to any policies then in force shall pass to the purchaser, grantee or assignee.

(B) (i) Subject to the interests of the Ground Lessor and the terms, provisions and conditions of the Ground Lease, in case of loss or damage by fire or other casualty, full power is hereby conferred on Mortgagee:

(a) to settle and compromise all claims under all policies;

(b) to demand, receive and receipt for all monies becoming due and/or payable under all policies;

(c) to jointly execute, in the name of Mortgagor and in the name of Mortgagee, any proofs of loss, notices or other instruments in connection with all claims under all policies; and

(d) to assign all policies to any holder of Mortgagor'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.

(ii) The Mortgagee shall have the option of determining whether the insurance proceeds shall be applied in reduction of the Mortgagor's Liabilities, whether due or not, or be held by Mortgagee without any allowance of interest and used to reimburse Mortgagor for the cost of rebuilding or restoration of buildings or improvements on the Land. Notwithstanding anything to the contrary contained in this Paragraph 4.1(B)(ii), Mortgagee shall agree to the use of such proceeds for the reconstruction, repair or restoration of the Mortgaged Property, provided that (a) no Event of Default then exists under this Mortgage, (b) the cost of rebuilding or restoring of buildings or improvements on the Land shall not exceed \$500,000.00, (c) Mortgagee receives reasonable assurances that reconstruction of the improvements on the Mortgaged Property will be completed on or before the maturity date of the Note, and (d) the proceeds shall be paid out in accordance with the terms and conditions hereinafter set forth. If Mortgagee elects to make the proceeds available for rebuilding or restoration, such proceeds shall be made available in the manner and under conditions that Mortgagee may require, including but not limited to the following:

(a) before Mortgagor commences such alteration, reconstruction, repair or restoration plans and specifications therefor, prepared by a licensed engineer or architect reasonably satisfactory to Mortgagee shall be submitted to Mortgagee for written approval;

(b) an estimate of the cost of the proposed work, certified to by said architect or engineer;

(c) satisfactory evidence of sufficient contractor's comprehensive general liability insurance covering the Mortgaged Property, Mortgagor and Mortgagee, together with such builder's risk insurance as shall reasonably be required by Mortgagee;

(d) a performance and payment bond reasonably satisfactory in form and substance to Mortgagee as Mortgagee may require;

(e) such other security as Mortgagee may require to insure payment for the completion of all such work free and clear of all liens;

(f) Mortgagee, or such other party as shall be reasonably acceptable to Mortgagee (said party hereinafter referred to as the "Depositary") shall hold and disburse the proceeds of the policies in accordance with the terms hereof. If the estimated cost of completion exceeds the amount of insurance

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proceeds available, Mortgagor shall immediately deposit with the Depository, in cash, the amount of such estimated excess cost;

(g) Mortgagor shall diligently pursue the alteration, reconstruction, repair or restoration of the Mortgaged Property, or such portion thereof as shall have been damaged, in a good and workmanlike manner using only high quality workmen and material. The buildings and improvements shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction.

(h) The Depository shall pay out construction funds from time to time on the written direction of the Mortgagee provided that the Depository and Mortgagee shall first be furnished with such waivers of lien, contractors and subcontractors sworn statements and such other evidence of cost and payments as they require so that they can verify that the amounts disbursed from time to time are represented by completed and in-place work, and that said work is free and clear of possible mechanics' or materialmen's liens.

(i) No payment made prior to the completion of the work shall exceed ninety percent (90%) of the value of the work completed and in place from time to time and at all times, except in the case of payments made to materialmen when the materials involved have been delivered to the Land in which event such payments may equal one-hundred percent (100%) of the value of the materials, the undisbursed balance remaining in the hands of the Depository shall be at least sufficient to pay for the cost of completion of the work free and clear of liens; any deficiency from time to time shall be paid into the Depository by Mortgagor immediately after written request therefor.

(j) Mortgagee shall be reimbursed from the proceeds, or by Mortgagor for costs incurred by Mortgagee with respect to making the proceeds available for rebuilding or restoration. Mortgagor shall pay all costs and fees of the Depository, if any, and shall pay reasonable costs and fees if the Mortgagee is the Depository.

(k) Any surplus insurance proceeds remaining with the Depository after payment of such cost of alteration, reconstruction, repair or restoration, shall be paid first on a dollar-for-dollar basis, to the Mortgagor to the extent Mortgagor theretofore had deposited its own funds on account of such work with the Depository, and the balance, if any, to be paid, at the election of Mortgagee, as a payment on account of the Mortgagor's Liabilities, or to Mortgagor.

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4.2 (i) The Mortgagor immediately upon obtaining knowledge of the institution of any proceeding for the condemnation of the Mortgaged Property, or any portion thereof, shall notify Mortgagee of the pendency thereof. Subject to the interests of the Ground Lessor under the Ground Lease, all awards now or hereafter made by any public or quasi-public authority to or for the benefit of Mortgagor 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 by such authority (including, but not limited to, any award for taking title, possession or right of access to a public way, or for any change of grade of streets affecting the Mortgaged Property) hereby are assigned to the Mortgagee as additional security for the payment of Mortgagor's Liabilities (and for such purpose, Mortgagor hereby grants to Mortgagee a security interest therein).

(ii) Mortgagee may at its option, commence, appear in and prosecute jointly with Mortgagor any action or make any compromise or settlement, in connection with such condemnation, taking under the power of eminent domain or sale in lieu thereof. Mortgagee 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 Mortgagor's name, in Mortgagee's name or in both such names), and at Mortgagee's sole option shall either (a) use the same, or any part thereof, to replace, repair or restore any or both of the Mortgaged Property to a condition satisfactory to Mortgagee consistent with the procedure to be used with respect to the use of insurance proceeds as provided in Paragraph 4.1(B) hereof, with the balance thereof, if any, to be applied to Mortgagor's Liabilities, whether or not matured and without affecting the amount or time of subsequent installment payments required to be made by Mortgagor to Mortgagee under the Note, or (b) apply the proceeds to the Mortgagor's Liabilities.

(iii) Mortgagor, immediately upon request by Mortgagee, shall make, execute and deliver and/or cause to be made, executed and delivered to and/or for the benefit of Mortgagee any and all assignments and other instruments sufficient to assign, and cause the payment directly to Mortgagee of, all such awards, free and clear of all Encumbrances except those Encumbrances permitted in Paragraph 3.2 above. 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, Mortgagor shall continue to pay all of the Mortgagor's Liabilities, as and when due and payable, until any such award or payment shall have been actually received by Mortgagee, and any reduction in Mortgagor's Liabilities resulting from the application by Mortgagee of such award or payment as herein set forth shall be deemed to take effect only on the date of such receipt. If, prior to the receipt by Mortgagee of such award or payment, the Mortgaged Property shall have been sold on foreclosure of this Mortgage, Mortgagee 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

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interest thereon, and of the reasonable attorneys' fees, costs, expenses and disbursements incurred by Mortgagee in connection with the collection of such award or payment.

4.3 (i) Mortgagor shall deposit with Mortgagee on the first (1st) day of each month hereafter until Mortgagor's Liabilities are fully paid, a sum equal to one-twelfth (1/12) of (a) one hundred and ten percent (110%) of the total annual impositions, levies, taxes and assessments arising with respect to the Mortgaged Property for the most recent ascertainable tax year and (b) the total amount of annual premiums for all policies required to be obtained and maintained by Mortgagor pursuant to this Mortgage with respect to the Mortgaged Property. Subject to the provisions of this Paragraph and provided that Mortgagor is not then in default in the timely payment of any installment of principal interest or other monies due or declared due under the Note and an Event of Default does not exist under this Mortgage, or the Other Agreements, after written notice from Mortgagor, Mortgagee shall pay, when and to whom due and payable under applicable contracts or law, to and including the date upon which the final installment payment of principal and interest on the Note is due and payable, to the extent only of funds so deposited by Mortgagor, all of the aforesaid impositions, levies, taxes and assessments. Notwithstanding the foregoing, Mortgagee does not hereby assume any of Mortgagor's obligations under the Ground Lease or said contracts or laws to make such payments and nothing contained herein, in the Note or the Other Agreements shall require Mortgagee to perform any such obligations of Mortgagor except for the making of the aforesaid payments in accordance with the subject to the above specified terms. Upon occurrence of a default under the Note, this Mortgage, or the Other Agreements, Mortgagee shall not be obligated to make such payments, but, at its sole election and in its sole discretion, may make any or all of such payments.

(ii) If the deposits required by Sub-Paragraph (i) above and, if applicable, Sub-Paragraph (iii) and (iv) below, are insufficient to pay the impositions, levies, taxes and/or assessments and/or premiums for which they are provided, on or before thirty (30) days before the same shall become due and payable Mortgagor shall deposit with Mortgagee such additional monies as are necessary to pay, in full, such obligations.

(iii) If requested by Mortgagee, Mortgagor, concurrently with the disbursement of the loan evidenced by the Note, shall deposit with Mortgagee an amount of money, which together with the aggregate of the monthly deposits to be made pursuant to Sub-Paragraph (i)(a) above, shall be sufficient to pay, in full, the total annual impositions, levies, taxes and assessments estimated by Mortgagee to become due and payable with respect to the Mortgaged Property for the current tax year not yet due and payable. Mortgagee shall hold such deposit without interest and shall use the same to pay, when due, any installments of such obligations (general, special or otherwise) next coming due.

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(iv) If requested by Mortgagee, Mortgagor, concurrently with the disbursement of the loan evidenced by the Note, shall deposit with Mortgagee an amount of money, which together with the aggregate of the monthly deposits to be made pursuant to Sub-Paragraph (i)(b) above becoming due prior to the date on which the next annual insurance premium payments become due and payable, shall equal one hundred and fifteen percent (115%) of the most recent total annual insurance premium payments.

(v) Notwithstanding anything to the contrary in this Subparagraph 4.3, Mortgagor shall not be obligated to make such tax deposits to Mortgagee for so long as Mortgagor is exempt from paying real property taxes in the State of Illinois.

(vi) Upon the occurrence of an Event of Default hereunder Mortgagee, at its option and in its sole discretion, may apply any monies held pursuant to Sub-Paragraphs (i) through (iv) above on account of any of Mortgagor's Liabilities, in such order or priority as Mortgagee may elect.

(vii) Upon payment, in full, of Mortgagor's Liabilities, Mortgagee shall deliver any remaining of the aforesaid deposits to Mortgagor or the then owner of the Mortgaged Property.

(viii) All of the aforesaid deposits hereby are pledged, as additional security for the payment of Mortgagor's Liabilities (and for such purpose, Mortgagor hereby grants to Mortgagee a security interest therein), to be applied by Mortgagee for the purposes hereinabove set forth and shall not be subject to the control of Mortgagor; provided, however, that Mortgagor shall not be liable for failure to pay, when due, any such impositions, levies, taxes or assessments or premiums if Mortgagor, prior to the occurrence of an Event of Default, shall have requested Mortgagee, in writing, to pay the same and delivered to Mortgagee appropriate evidence of bills therefor.

5. LEASES AND RENTS

5.1 Subject to the interests, if any, of the Ground Lessor under the Ground Lease, and so long as there shall not have occurred an Event of Default under this Mortgage, Mortgagor 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, taxes, 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, fourthly, to the payment of monthly installments of rent due under the Ground Lease, and lastly to the payment of Mortgagor's Liabilities then due and payable, before using any part of the Rents for any other purposes.

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5.2 At all times, any of Mortgagee'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 Mortgagor, Mortgagee, a nominee of Mortgagee or in any or all of said names.

5.3 Unless Mortgagee notifies Mortgagor thereof in writing that it dispenses with any one or more of the following requirements, Mortgagor shall: (i) promptly upon Mortgagor's receipt or learning thereof, inform Mortgagee, in writing, or any assertion of any claims, offsets or counter-claims by any of the obligors of the Leases; (ii) not permit or agree to any material extension, compromise or settlement or make any material change or modification of any kind or nature of or with respect to the Leases or the terms thereof outside the ordinary course of Mortgagor's business; and (iii) promptly upon Mortgagor's receipt or learning thereof, furnish to and inform Mortgagee of all material adverse information relating to or affecting the financial condition of any obligor of the Leases.

5.4 Within fifteen (15) days after demand therefor by Mortgagee, Mortgagor shall deliver to Mortgagee, in form and substance acceptable to Mortgagee, a detailed aged trial balance of all the Leases and such other matters and information relating thereto as Mortgagee may request.

5.5 Upon the occurrence of an Event of Default under this Mortgage:

(i) Immediately upon demand by Mortgagee, Mortgagor shall deliver to Mortgagee the originals of the Leases, with appropriate endorsement and/or other specific evidence of assignment thereof to Mortgagee; which endorsement and/or assignment shall be in form and substance acceptable to Mortgagee.

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

(iii) Mortgagor, immediately upon demand by Mortgagee, 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 Mortgagee.

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

(v) Mortgagor, irrevocably, hereby designates, makes, constitutes and appoints Mortgagee (and all persons designated by Mortgagee) as Mortgagor's true and lawful attorney and agent-in-fact, with power, without notice to Mortgagor and at such time or times thereafter as Mortgagee, at its sole election, may determine, in the name of Mortgagor, Mortgagee, or in both names: (a) to demand payment of the Rents and performance of the Leases; (b) to enforce payment of the Rents and performance of the Leases by legal proceedings or otherwise; (c) to exercise any or all of Mortgagor's rights, interests and remedies in and under the Leases and to collect the Rents; (d) to settle, adjust, compromise, extend or renew the Leases and/or the Rents; (e) to settle, adjust or compromise any legal proceeding brought to collect the Rents or obtain performance of the Leases; (f) to take control, in any manner, of the Rents; (g) to prepare and file and sign Mortgagor's name on any proof of claim in bankruptcy, or similar document in a similar proceeding, against any obligor of the Leases; (h) to endorse the name of Mortgagor upon any payments or proceeds of the Rents and to deposit the same to the account of Mortgagee; and (i) to do all acts and things necessary, in Mortgagee's sole discretion, to carry out any or all of the foregoing.

(vi) All of the foregoing payments and proceeds received by Mortgagee shall be utilized by Mortgagee, at its sole election and in its sole discretion, for any one or more of the following purposes: (a) to be applied to Mortgagor's Liabilities' in such manner and fashion and to such portions thereof as Mortgagee, at its sole election, shall determine; (b) to be held by Mortgagee as additional collateral for the payment of Mortgagor's Liabilities; (c) to be applied to such obligations of Mortgagor or the Mortgaged Property or the operation or business thereof as Mortgagee, at its sole election, shall determine appropriate or warranted under the then existing circumstances; or (d) to be remitted to Mortgagor.

6. DEFAULT

6.1 The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Mortgage:

(i) Failure of Mortgagor to pay, when due or declared due, any of Mortgagor's Liabilities.

(ii) Failure of Mortgagor, promptly, fully and faithfully to satisfy, perform, discharge, observe and comply with each and every of Mortgagor's Obligations. If the Event of Default is with respect to a non-monetary obligation, the Mortgagor shall have thirty (30) days after notice thereof to cure the default, unless a lesser curative period is stated in any other Agreements, in which case the provisions of the other Agreements shall control. The right to cure an Event of Default of this or any of the Other Agreements shall not apply in the event that the Mortgagee shall determine that the Mortgagor is not proceeding in good faith and with all due diligence in effecting such cure.

(iii) A petition in bankruptcy is filed by or against Mortgagor, (and in the case of an involuntary petition in bankruptcy, such petition is not discharged within 30 days of its filing), or a custodian, receiver or trustee for any of the Mortgaged Property is appointed, or if Mortgagor, makes an assignment for the benefit of creditors, or if it 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.

(iv) A sale, assignment, conveyance or other transfer of legal or equitable title to all or part of the Mortgaged Property or the granting of a lien or security interest in and to all or any part of the Mortgaged Property.

(v) Any representation or warranty made by the Mortgagor herein, or in the Master Indenture, the Bond Indenture or the Other Agreements proves untrue in any material respect as of the date of the issuance or making thereof.

(vi) The occurrence of any default or Event of Default under the Master Indenture, the Bond Indenture or the Letter of Credit Agreement.

(vii) The occurrence of any default or Event of Default under the Ground Lease, or any change or amendment in the terms and/or provisions of the Ground Lease which has not been consented to in advance and in writing by Mortgagee or otherwise permitted hereunder.

(viii) Failure of Mortgagor to deliver to Mortgagee, on or before April 1, 1986, (a) surveys for each parcel of Land constituting part of the Mortgaged Property, dated no earlier than December 31, 1985, prepared by a surveyor licensed in the State of Illinois, in accordance with the standard detail requirements for land title surveys adopted by the American Land Title Association and the American Congress on Surveying and Mapping in 1962, certified to the Mortgagee, Mortgagor, Chicago Title Insurance Company and Illinois National Bank of Springfield, indicating the location of all existing improvements and foundations of any commenced but uncompleted improvements; and (b) a title policy (or reissue of an existing title policy) of Chicago Title Insurance Company dated no earlier than December 30, 1985 insuring the lien of this Mortgage using American Land Title Association Loan Policy-1970 Form as to fee interests covered by this Mortgage and Leasehold Loan Policy-1975 Form as to the leaseholds covered by this Mortgage. Said title policy is to contain Comprehensive Endorsement 1 as to each of the parcels of the Premises covered by this Mortgage; Zoning Endorsement Form 3 as to unimproved parcels of the Premises covered by this Mortgage and Zoning Endorsement Form 3.1 as to improved parcels covered by this Mortgage; together with an endorsement, if required, certifying that the Premises described in each of said four surveys is identical with the respective Premises described in said title policy.

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6.2 Upon the occurrence of an Event of Default, Mortgagee, after notice and demand insofar as required hereby, 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:

(i) Declare all of Mortgagor's Liabilities immediately due and payable and collect the same at once by foreclosure or otherwise, without notice of broken covenant or condition, and in case of such default and the exercise of such option, Mortgagor's Liabilities shall bear interest, from the date of such default, at the Default Interest Rate as defined in the Note.

(ii) 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 Mortgagor might do if in possession thereof, including without limitation, the making of all repairs and replacements deemed necessary by Mortgagee and the leasing of the same, or any part thereof, from time to time, and, after deduction of 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 Mortgagor's Liabilities. At the option of Mortgagee, 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 Mortgagor at the address of Mortgagor last appearing on the records of Mortgagee. Mortgagor agrees to surrender possession of the Mortgaged Property to Mortgagee immediately upon the occurrence of an Event of Default. If Mortgagor 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 Mortgagee, and Mortgagor agrees to pay to Mortgagee, or to any receiver appointed as provided, below, after such default, a reasonable monthly rental for the Mortgaged Property or the part thereof so occupied by the Mortgagor, to be applied as provided above in the first sentence of this Sub-Paragraph, and to be paid in advance on the first day of each calendar month, and, in default of so doing, Mortgagor may be dispossessed by the usual summary proceedings. In the event Mortgagor shall so remain in possession of all, or any part of, the Mortgaged Property, said reasonable monthly rental shall be in amounts established by Mortgagee 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.

(iii) File one or more suits at law or in equity for the foreclosure of this Mortgage or to collect Mortgagor's Liabilities. In the event of the commencement of any such suit by Mortgagee, Mortgagee 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 Mortgagor at the time of application and without regard to the then value of the

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Mortgaged Property or whether the same is then occupied, 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 during the pendency of such suit and, in case of a sale and a deficiency, during the full statutory period of redemption, as well as during any further times when Mortgagor, 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 of, in whole or in part, Mortgagor's Liabilities. In case of a sale pursuant to foreclosure, the Premises may be sold as one or more parcels.

(iv) Exercise any other remedies or rights permitted or provided under or by the laws or decisions of the State in which the Mortgaged Property is located (including all rights of a secured party under the Uniform Commercial Code of the State of Illinois), accruing to a mortgagee and/or secured party upon a default by a mortgagor and/or debtor.

6.3 In the Event of Default under this Mortgage, there will be added to and included as part of Mortgagor's Liabilities (and allowed in any decree for sale of the Mortgaged Property or in any judgment rendered upon this Mortgage or the Note) the following: the costs, charges, expenses and attorneys' fees specified in Paragraph 6.4 below; any and all expenditures which may be paid or incurred by or on behalf of Mortgagee for appraisers' fees, documentary and expert evidence, stenographers' charges, publication costs, fees and expenses for examination of title, title searches, guaranty policies, Torrens certificates and similar data and assurances with respect to the title to the Mortgaged Property; all prepayment of like premiums, if any, provided for in the Note; and all other fees, costs and expenses which Mortgagee deems necessary to prosecute any remedy it has under this Mortgage, or to inform bidders at any sale which may be had pursuant to its rights hereunder, of the true condition of title or of the value of the Mortgaged Property. All such costs, charges, expenses, fees and other expenditures shall be a part of Mortgagor's Liabilities, secured by this Mortgage, payable on demand and shall bear interest at the Default Interest Rate, as defined in the Note, from the date of Mortgagee's payment thereof until repaid to Mortgagee.

6.4 If foreclosure proceedings are instituted upon this Mortgage, or if Mortgagee shall be a party to, shall intervene, or file any petition, answer, motion or other pleading in any suit or proceeding relating to this Mortgage, the Note, the Other Agreements, or Mortgagor's Liabilities, or if Mortgagee shall incur or pay any expenses, costs, charges or reasonable attorneys' fees by reason of the employment of counsel for advice with respect to this Mortgage, the Note, the Other Agreements, or Mortgagor's Liabilities, and whether in court proceedings or otherwise,

such expenses and all of Mortgagee's reasonable attorneys' fees shall be part of Mortgagor's Liabilities, secured by this Mortgage, payable on demand and shall bear interest at the Default Interest Rate as defined in the Note from the date of Mortgagee's payment thereof until repaid to Mortgagee.

6.5 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 6.3 above, secondly, to the balance of Mortgagor's Liabilities, and thirdly, the surplus, if any, to Mortgagor.

6.6 In the event of the commencement of judicial proceedings to foreclose this Mortgage, Mortgagor, on behalf of itself, its successors and assigns, and each and every person it may legally bind acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage: (i) does hereby expressly waive any and all rights of appraisement, valuation, stay, extension and (to the extent permitted by law) redemption from sale under any order or decree of foreclosure of this Mortgage; and (ii) does hereby agree that when sale is had under any decree of foreclosure of this Mortgage, upon confirmation of such sale, the master in chancery or other officer making such sale, or his successor in office, shall be and is authorized immediately to execute and deliver to purchaser at such sale a deed conveying the Mortgaged Property, showing the amount paid therefor, or if purchased by the person in whose favor the order or decree is entered, the amount of his bid therefor.

6.7 Mortgagee shall have the right from time to time to sue for any sums, whether interest, principal or any other sums required to be paid by or for the account of Mortgagor under the terms of this Mortgage or the Note, or any other of Mortgagor's Liabilities, as the same shall be due, and without prejudice to the right of the Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by the Mortgagor existing at the time such earlier action was commenced.

6.8 No right or remedy of Mortgagee hereunder is exclusive of any other right or remedy hereunder or now or hereafter existing at law or in equity, but is cumulative and in addition thereto and the holder of the Note may recover judgment thereon, issue execution therefor, and resort to every other right or remedy afforded by this Mortgage. No delay in exercising, or omission to exercise, any such right or remedy will impair any such right or remedy or will be construed to be a waiver of any default by Mortgagor hereunder, or acquiescence therein, nor will it affect any subsequent default hereunder by Mortgagor of the same or different nature. Every such right or remedy may be exercised independently or concurrently, and when and so often as may be deemed expedient by Mortgagee. No terms or conditions contained in this Mortgage or the Note may be waived, altered or changed except as evidenced in writing signed by Mortgagor and Mortgagee.

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notice, may release, regardless of consideration, any part of the security held for Mortgagor's Liabilities, 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. Mortgagee may resort for the payment of Mortgagor's Liabilities to any other security therefor held by the Mortgagee in such order and manner as Mortgagee may elect.

6.12 Upon and after the occurrence of an Event of Default under this Mortgage, and to the extent not inconsistent with the law of Illinois, Mortgagee shall not be obligated to accept any cure or attempted cure by Mortgagor, however, if Mortgagee accepts such cure, Mortgagee shall not exercise its rights or remedies under Paragraph 6 or Paragraph 5 of this Mortgage unless a separate or additional Event of Default then exists hereunder.

7. MISCELLANEOUS

7.1 This is a "Construction Loan Mortgage" within the purview and operation of the Uniform Commercial Code of the State of Illinois, as amended; and this Mortgage secures a loan, the proceeds of which will be disbursed to the Mortgagor partly for the purpose of paying the cost of construction and renovation of improvements upon the Premises, pursuant to and in accordance with the Bond Indenture, the Master Indenture, the Letter of Credit and Other Agreements, executed and delivered concurrently herewith, and Mortgagor covenants and agrees that said loan proceeds will be used solely for said purpose.

Accordingly, the liens created by this Mortgage shall be first liens against all fixtures, equipment and other personal property of every kind incorporated as aforesaid, and such liens shall take precedence and be paramount and superior to any other lien, charge or security interest which any person may claim against such fixtures or personal property.

7.2 The proceeds of the loan secured hereby are to be disbursed by Mortgagee to Mortgagor in accordance with the provisions contained in the Bond Indenture, the Master Indenture, Letter of Credit Agreement and Other Agreements. All advances and indebtedness arising and accruing under the Letter of Credit Agreement from time to time, shall be secured hereby to the same extent as though said Letter of Credit Agreement were fully incorporated in this Mortgage, and the occurrence of any event of default under said Letter of Credit Agreement or Other Agreements shall constitute a default under this Mortgage, entitling Mortgagee to all of the rights and remedies conferred upon the Mortgagee by the terms of this Mortgage or by law, as in the case of any other default.

That in connection with the said Bond Indenture, Master Indenture, Letter of Credit Agreement and Other Agreements and the construction disbursements secured by the liens created by this Mortgage, the Mortgagor hereby covenants and agrees as follows:

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(i) That it will comply (or will cause compliance) with each and all of the covenants of said Bond Indenture, Master Indenture, Letter of Credit Agreement and Other Agreements;

(ii) That the provisions set forth in said Bond Indenture, Master Indenture, Letter of Credit Agreement and Other Agreements are incorporated herein by express reference; with the further proviso that a default by Mortgagor under the Bond Indenture, Master Indenture, Letter of Credit Agreement or Other Agreements in any of the terms therein contained, after due notice given as therein required, shall be and constitute a default under this Mortgage; and in consequence thereof, the Mortgagee may declare the entire debt to be immediately due and payable, or pursue any right, remedy or recourse reserved herein (or in Bond Indenture, Master Indenture, the Letter of Credit Agreement or Other Agreements) for default or condition broken;

(iii) That Mortgagor will cause the construction of the buildings and other improvements in accordance with the aforesaid Bond Indenture, Master Indenture, Letter of Credit Agreement and Other Agreements; and

(iv) That all sums advanced under the Bond Indenture, Master Indenture, Letter of Credit Agreement and Other Agreements, from time to time, shall be secured hereby as if said advances were made pursuant to the terms and conditions of this Mortgage.

7.3 Mortgagee shall release this Mortgage by proper instrument upon payment and discharge of all of Mortgagor's Liabilities, including all prepayment or like premiums, if any, provided for in the Note and payment of all costs, expenses and fees, including reasonable attorneys' fees, incurred by Mortgagee for the preparation, execution and/or recording of such release.

7.4 This Mortgage is intended only as security for the obligations herein set forth. Notwithstanding anything to the contrary contained in this Mortgage, the Mortgagee shall have no obligation or liability under, or with respect to, or arising out of this Mortgage and shall not be required or obligated in any manner to perform or fulfill any of the obligations of the Mortgagor hereunder.

7.5 Every provision for notice, demand or request required in this Mortgage, the Note or the Other Agreements or by applicable law shall be deemed fulfilled by written notice, demand or request personally served on (with proof of service endorsed thereon, 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 certified or registered mail, return receipt requested, 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 hereto shall direct by like written notice and

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shall be deemed to have been made on the second (2nd) day following posting as aforesaid. For the purposes herein, notices shall be sent to Mortgagor and Mortgagee as follows:

To Mortgagor: Michael Reese Health Plan, Inc.
2545 South King Drive
Chicago, Illinois 60616
Attn: Barry W. Averill

with a copy to: Sonnenschein Carlin Nath &
Rosenthal
8000 Sears Tower
Chicago, Illinois 60606
Attn: Daniel R. Swett, Esq.

To Mortgagee: American National Bank and
Trust Company of Chicago
33 North LaSalle Street
Chicago, Illinois 60690
Attn: Commercial Banking
Department

with a copy to: The Industrial Bank of Japan,
Ltd.
New York Branch
245 Park Avenue
New York, New York 10167
Attn: Sumio Shimoyama

with a copy to: Katten, Muchin, Zavis,
Pearl & Galler
525 West Monroe Street
Suite 1600
Chicago, Illinois 60606
Attn: Laurie MacFarlane, Esq.

7.6 All the covenants contained in this Mortgage will run with the land. Time is of the essence of this Mortgage and all provisions herein relating thereto shall be strictly construed.

7.7 This Mortgage, and all the provisions hereof, will be binding upon and inure to the benefit of the successors and assigns of the Mortgagor and Mortgagee.

7.8 This Mortgage was executed and delivered in, and shall be governed as to the validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Illinois.

7.9 Any provision of this Mortgage which is unenforceable in any State in which this Mortgage may be filed or recorded or is invalid or contrary to the law of such state, or the inclusion of which would affect the validity, legality or enforcement of this Mortgage, shall be of no effect, and in such case all the remaining terms and provisions of this Mortgage shall subsist and be fully effective according to the tenor of this Mortgage, the same as though no such invalid portion had ever been included herein.

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7.10 It being the desire and intention of the parties hereto that this Mortgage and the lien hereof do not merge in fee simple title to the premises, it is hereby understood and agreed that should Mortgagee acquire an additional or other interests in and to the premises or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee, as evidenced by an express statement to the effect in an appropriate document duly recorded, 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.

7.11 Mortgagor and Mortgagee each agree promptly to send to the other copies of any notice received by them from the Ground Lessor.

IN WITNESS WHEREOF, this Mortgage and Security Agreement has been duly executed the day and year first above written.

Mortgagor:

Michael Reese Health Plan, Inc.,
a corporation chartered under the
Illinois Voluntary Health Services
Plans Act

By: *Barry D. Arnold*
Its: EXECUTIVE DIRECTOR

Attest:

By: *Gregory J. ...*
Its: Asst. Secretary

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Maribeth A. Schellenbergl Notary Public in and for the
County and State aforesaid, do hereby certify that
Barry Averill and Kucy San Diego personally known to me to
be the ~~Executive Director~~ President and ~~Assistant~~ Secretary of MICHAEL
REESE HEALTH PLAN, INC., a corporation organized under the
Illinois Voluntary Health Services Plans Act, and personally known
to me to be the same persons whose names are subscribed to the
foregoing instrument, appeared before me this day in person and
acknowledged that as such Executive Director President and Assistant
Secretary, they signed and delivered the said instrument as
Executive Director President and Asst. Secretary of said corporation,
and caused the corporate seal of said corporation to be affixed
thereto, pursuant to authority given by the Board of Trustees of
said corporations, as their act, and as the free and voluntary act
and deed of said corporation, for the uses and purposes therein
set forth.

GIVEN under my hand and official seal this 30th day of
December, 1985.

Maribeth A. Schellenbergl

My Commission Expires:

NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. NOV. 2, 1989
ISSUED THRU ILL. NOTARY ASSOC.

Notary of Cook County Clerk's Office

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EXHIBIT A

1. Lake Shore I

LEASEHOLD INTEREST CREATED BY:
MICHAEL REESE HOSPITAL AND MEDICAL CENTER, AN ILLINOIS NOT FOR PROFIT CORPORATION,
AS LESSOR, AND MICHAEL REESE HEALTH PLAN, INC., AN ILLINOIS VOLUNTARY HEALTH
SERVICES PLANS ACT CORPORATION, AS LESSEE, DATED MAY 18, 1982, A MEMORANDUM OF
WHICH LEASE WAS RECORDED DECEMBER 22, 1982 AS DOCUMENT 26 445 960 WHICH
LEASE DEMISES THE LAND FOR A TERM OF YEARS BEGINNING ON DECEMBER 22, 1982 AND
ENDING ON THE LAST DATE OF THE 15TH FULL LEASE YEAR (DEFINED IN SAID LEASE)
SUBSEQUENT TO THE COMMENCEMENT DATE.

PARCEL 1:

THAT PART OF THE NORTH EAST FRACTIONAL 1/4 OF SECTION 27, TOWNSHIP 39
NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND
DESCRIBED AS FOLLOWS: BEGINNING AT A POINT OF INTERSECTION 199.2 FEET
NORTH OF THE SOUTH LINE OF SAID FRACTIONAL 1/4 AND THE WESTERLY LINE
OF LOT 1 IN THE CHICAGO LAND CLEARANCE COMMISSION NO. 2, BEING A
CONSOLIDATION OF LOTS AND PARTS OF LOTS AND VACATED STREETS AND ALLEYS
IN THE SOUTH EAST FRACTIONAL 1/4 OF SAID SECTION 27; THENCE NORTH
ALONG A LINE 33 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID
NORTH EAST FRACTIONAL 1/4 BEING THE EAST LINE OF SOUTH DR. MARTIN
LUTHER KING JR. DRIVE, A DISTANCE OF 200.0 FEET; THENCE EAST ALONG A
LINE 175 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTH
8.70 CHAINS OF SAID NORTH EAST FRACTIONAL 1/4, A DISTANCE OF 275 FEET.
THENCE SOUTH ALONG A LINE 275 FEET EAST OF AND PARALLEL WITH THE EAST
LINE OF SAID SOUTH DR. MARTIN LUTHER KING JR. DRIVE, A DISTANCE OF
200.0 FEET TO A POINT 199.2 FEET NORTH OF THE SOUTH LINE OF SAID
FRACTIONAL 1/4; THENCE WEST ALONG A LINE 199.2 FEET NORTH OF AND
PARALLEL WITH THE SOUTH LINE OF SAID FRACTIONAL 1/4, A DISTANCE OF 275
FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

PARCEL 2:

EASEMENT FOR THE BENEFIT OF PARCEL 1 AS CREATED BY LEASE, A MEMORANDUM
OF WHICH HAS BEEN RECORDED DECEMBER 22, 1982 FOR INGRESS AND EGRESS
AND FOR PARKING OVER THE FOLLOWING DESCRIBED LAND:
THAT PART OF THE NORTH EAST FRACTIONAL 1/4 OF SECTION 27, TOWNSHIP 39
NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND
DESCRIBED AS FOLLOWS: BEGINNING AT A POINT OF INTERSECTION WITH THE
SOUTH LINE OF SAID FRACTIONAL 1/4 AND THE WESTERLY LINE OF LOT 1 IN
CHICAGO LAND CLEARANCE COMMISSION NO. 2 BEING A CONSOLIDATION OF LOTS
AND PARTS OF LOTS AND VACATED STREETS AND ALLEYS IN THE SOUTH EAST
FRACTIONAL 1/4 OF SAID SECTION 27; THENCE NORTHWESTERLY ALONG THE
NORTHWESTERLY EXTENSION OF THE WESTERLY LINE OF SAID LOT 1, A DISTANCE
OF 10.91 FEET TO A POINT 9.79 FEET NORTH OF THE SOUTH LINE OF SAID
NORTH EAST FRACTIONAL 1/4; THENCE NORTH ALONG A LINE 33 FEET EAST OF
AND PARALLEL WITH THE WEST LINE OF SAID NORTH EAST FRACTIONAL 1/4
BEING THE EAST LINE OF SOUTH DR. MARTIN LUTHER KING JR. DRIVE, A
DISTANCE OF 189.38 FEET; THENCE EAST ALONG A LINE 199.2 FEET NORTH OF
AND PARALLEL WITH THE SOUTH LINE OF SAID FRACTIONAL 1/4, A DISTANCE OF
275 FEET; THENCE SOUTH ALONG A LINE 275 FEET EAST OF AND PARALLEL WITH
THE EAST LINE OF SAID SOUTH DR. MARTIN LUTHER KING JR. DRIVE, A
DISTANCE OF 129.2 FEET TO A POINT 70 FEET NORTH OF THE SOUTH LINE OF
SAID FRACTIONAL 1/4; THENCE SOUTHWESTERLY ALONG NORTHEASTERLY LINE A
DISTANCE OF 71.59 FEET TO A POINT ON THE SOUTH LINE OF SAID NORTH EAST
FRACTIONAL 1/4 A DISTANCE OF 260 FEET EAST OF THE WESTERLY LINE OF
SAID SOUTH DR. MARTIN LUTHER KING JR. DRIVE; THENCE WEST ALONG THE

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SOUTH LINE OF SAID NORTH EAST FRACTIONAL 1/4, A DISTANCE 255.16 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

2. Southwest Regional

LOTS 25 THROUGH 39, INCLUSIVE, (EXCEPT OF A PORTION OF LOT 32 DEDICATED FOR PUBLIC ALLEY) IN BLOCK 2 IN JOHN JENSEN AND SONS' BEVERLY HIGHLANDS, BEING A SUBDIVISION OF THE SOUTH 9.25 ACRES OF THE SOUTH WEST 1/4 OF THE SOUTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 7, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

3. Logan Square

LOTS 27 AND 28 IN ARNOLD BROTHERS' SUBDIVISION OF BLOCK 3 IN THE SUBDIVISION OF LOTS 4, 6 AND OF LOT C IN THE SUBDIVISION OF LOT 5, ALL IN COUNTY CLERK'S DIVISION OF PART OF THE WEST 1/2 OF THE SOUTH WEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

PARCEL 2:

LOT 29 AND THE NORTH 15 FEET OF LOT 30 IN ARNOLD BROTHERS' SUBDIVISION OF BLOCK 3 IN THE SUBDIVISION OF LOTS 4, 6 AND LOT C IN THE SUBDIVISION OF LOT 5, ALL IN THE COUNTY CLERK'S DIVISION OF THE WEST 1/2 OF THE SOUTH WEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

4. Lake Shore II

LEASEHOLD INTEREST CREATED BY:
MICHAEL REESE HOSPITAL AND MEDICAL CENTER, AN ILLINOIS NOT FOR PROFIT CORPORATION, AS LESSOR, AND MICHAEL REESE HEALTH PLAN, INC., AN ILLINOIS VOLUNTARY HEALTH SERVICES PLANS ACT CORPORATION, AS LESSEE, DATED DECEMBER 27, 1985, A MEMORANDUM OF WHICH LEASE WAS RECORDED DECEMBER 27, 1985 AS DOCUMENT 85-240-489 WHICH LEASE DEMISES THE LAND FOR A TERM EXPIRING DECEMBER 31, 1997.

THAT PART OF THE NORTH EAST FRACTIONAL 1/4 OF SECTION 27, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND BEGINNING AT A POINT OF INTERSECTION WITH THE SOUTH LINE OF SAID FRACTIONAL 1/4 AND THE WESTERLY LINE OF LOT 1 IN CHICAGO LAND CLEARANCE COMMISSION NO. 2, BEING A CONSOLIDATION OF LOTS AND PARTS OF LOTS AND VACATED STREETS AND ALLEYS IN THE SOUTH EAST FRACTIONAL 1/4 OF SAID SECTION 27; THENCE EAST ALONG THE SOUTH LINE OF SAID NORTH EAST FRACTIONAL 1/4, A DISTANCE OF 255.16 FEET; THENCE NORTHEASTERLY A DISTANCE OF 71.59 FEET TO A POINT 308 FEET EAST OF AND PARRALEL WITH THE WEST LINE OF SAID NORTH EAST FRACTIONAL 1/4 BEING 33 FEET WEST OF

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THE EAST LINE OF SOUTH DR. MARTIN LUTHER KING JR. DRIVE TO A POINT OF BEGINNING; THENCE NORTH ALONG A LINE 275 FEET EAST OF AND PARALLEL WITH THE EAST LINE OF SAID DR. MARTIN LUTHER KING JR. DRIVE, A DISTANCE OF 504.00 FEET; TO THE NORTH LINE OF SAID SOUTH 8.70 CHAINS; THENCE EAST ALONG THE NORTH LINE OF SAID SOUTH 8.70 CHAINS A DISTANCE OF 321.62 FEET; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF THE ILLINOIS CENTRAL GULF RAILROAD, A DISTANCE OF 170.00 FEET; THENCE WEST ALONG A LINE PARALLEL WITH THE NORTH LINE OF SAID SOUTH 8.70 CHAINS A DISTANCE OF 195.19 FEET; THENCE SOUTH ALONG A LINE PARALLEL WITH THE EAST LINE OF SAID DR. MARTIN LUTHER KING JR. DRIVE, A DISTANCE OF 341.09 FEET; THENCE WEST ALONG A LINE PARALLEL TO THE NORTH LINE OF SAID SOUTH 8.70 CHAINS A DISTANCE OF 175.00 FEET TO THE POINT OF BEGINNING.

The PIN numbers are:

Lake Shore I:

17-28-203-014-0000

Commonly known as 2545 South King Drive, Chicago, Illinois

Lake Shore II:

17-27-203-014-0000 adjacent to property commonly known as 2545 South King Drive, Chicago, Illinois, West of I.C. Railroad

Southwest Regional:

25-07-116-022-0000 through

25-07-116-036-0000 located on East Side of Western Avenue, approximately 232 feet North of West 99th Street

Logan Square: Ave 17

13-25-320-001-0000 and

13-25-320-002-0000 located at South East corner of Kedzie and Linden, Chicago, Illinois

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EXHIBIT "B"

Properties which Mortgagor anticipates acquiring an interest in and subjecting to the lien of this Mortgage.

- (1) Property located in the vicinity of Howard Street and Western Avenue, in Chicago, Illinois.
- (2) Property located on Kenwood Avenue, in Hyde Park.
- (3) Additional property located in Hyde Park.
- (4) Property located in Orland Square.

It is anticipated that the properties described above will have a value of approximately \$4,700,000.00. In the event Mortgagor does not acquire any or all of the parcels described above, it shall acquire similar properties valued at approximately \$4,700,000.00, which properties shall be subject to the lien of this Mortgage.

PROPERTY OF COOK COUNTY CLERK'S OFFICE

#2418 # C * 85-343691

T#3333 TRAN 1995 12/30/85 16:09:00

DEPT-01 RECORDING \$47.00

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Property of Cook County Clerk's Office

10/1/2008

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