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21-26-50/RES

This Instrument Prepared By:
Susan Shivers Fink, Esquire
Paul, Hastings, Janofsky &
Walker
42nd Floor, Georgia-Pacific
Center
133 Peachtree Street, N.E.
Atlanta, Georgia 30303

N BOX 899-HV

Recording requested by
and when recorded mail to:

BANK OF AMERICA
NATIONAL TRUST AND SAVINGS
ASSOCIATION
Entertainment/Medical Health
Services #5140
555 South Flower Street
49TH FLOOR
Los Angeles, California 92071
Attention: Section Manager
(SECURED PARTY)

LINCOLN WEST MEDICAL CENTER, INC.
2544 West Montrose
Chicago, Illinois 60618
(DEBTOR)

\$61.00

Space above this line
for recorder's use

MORTGAGE, ASSIGNMENT OF RENTS
SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT
AND FIXTURE FILING ("Mortgage") is made as of September 30, 1986,
between LINCOLN WEST MEDICAL CENTER, INC., a Delaware corporation
("Mortgagor"), and BANK OF AMERICA NATIONAL TRUST AND SAVINGS
ASSOCIATION, a national banking association ("Mortgagee").

THIS INSTRUMENT IS ALSO A FIXTURE FILING IN ACCORDANCE
WITH § 9-402(6) of the UNIFORM COMMERCIAL CODE
AS ENACTED IN THE STATE OF ILLINOIS

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ARTICLE I. GRANT IN TRUST

1.01 Grant. For the purposes and upon the terms and conditions in this Mortgage, Mortgagor hereby mortgages, pledges, grants, conveys, transfers and assigns to Mortgagee with right of entry and possession, all right, title and interest of Mortgagor in and to the real property located in the City of Chicago, County of Cook, State of Illinois, described on Exhibit A attached hereto; together with (i) all appurtenances, easements, rights and rights of way appurtenant or related thereto, (ii) all buildings and all other structures and all tangible personal property which is now or hereafter located on or at such real property or used in connection therewith, (iii) all other improvements and fixtures, including without limitation, machinery and other articles attached to such buildings and improvements, now or hereafter located thereon, (iv) all interest or estate which Mortgagor may hereafter acquire in the property described above, and all additions and accessions thereto, (v) all of Mortgagor's right, title and interest in and to all leases, subleases, agreements for use or occupancy or concessions (oral or written) covering, affecting or incident to all or part of such property, now or hereafter existing and as they may be amended, renewed, extended or replaced from time to time, any and all rents, issues, profits, royalties, income, security deposits and other benefits paid or payable thereunder and all rights, powers, privileges, options and other benefits thereunder, (vi)

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all the right, title and interest of Mortgagor in any claims, causes of action, awards (whether on account of a taking by eminent domain or otherwise) and proceedings, whether now owned or hereafter acquired, which relate to any of the foregoing described property, including without limitation claims for the proceeds of insurance covering any of such property and (vii) any and all rights owned by Mortgagor necessary for the normal use, operation or ownership of such property (all of the foregoing rights and property being collectively the "Subject Property"). The listing of specific rights or property shall not be interpreted as a limit of general terms.

TO HAVE AND TO HOLD the Subject Property unto Mortgagee, its successors and assigns, forever in fee simple, Mortgagor hereby binds itself and covenants and agrees as follows:

ARTICLE II. OBLIGATIONS SECURED

2.01 Obligations Secured. Mortgagor makes this pledge and assignment for the purpose of securing the following obligations ("Secured Obligations"):

(a) Payment to Mortgagee of all sums at any time owing under that certain Guaranty (the "Guaranty") given by Mortgagor in favor of Mortgagee dated as of the same date as this Mortgage, which guarantees the payment and performance of all obligations of Forum Health Acquisition, Inc. ("Borrower") to Mortgagee pursuant to that certain Term Loan Agreement (the "Loan

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Agreement") by and between Mortgagee and Borrower, dated as of the same date as this Mortgage, including, without limitation, the payment of that certain Promissory Note (the "Note") made by Borrower to the order of Mortgagee dated as of the same date as this Mortgage, in the principal amount of FOURTEEN MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$14,500,000.00), and bearing a maturity date of September 30, 1994, a copy of the Guaranty and a copy of the Note are attached hereto as Exhibits B and C, respectively; and

(b) Payment and performance of all obligations of Mortgagor under this Mortgage; and

(c) Payment and performance of all obligations of Mortgagor under that certain Security Agreement executed by and between Mortgagee and Mortgagor and dated as of the same date as this Mortgage (the "Security Agreement"; the Security Agreement, together with the Guaranty, this Mortgage, the Note, the Loan Agreement, and all other documents (whenever executed) evidencing or further securing the indebtedness and credit arrangement evidenced by the Note and Loan Agreement, are collectively referred to as the "Loan Documents"); and

(d) Payment and performance of all future advances and other obligations that the then record owner or lessee of all or part of the Subject Property may agree to pay and/or perform (whether as principal, surety or guarantor) for the benefit of Mortgagee, when the obligation is evidenced by a writing which recites that it is secured by this Mortgage; and

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(e) Any and all other indebtedness now owing or which may hereafter be owing by Mortgagor to Mortgagee or by any affiliate of, or party related to, Mortgagor to Mortgagee, however and whenever incurred or evidenced, whether direct or indirect, absolute or contingent, or due or to become due;

(f) Any and all additional advances made by Mortgagee or Mortgagee to protect or preserve the Subject Property or the lien hereof on the Subject Property or to pay taxes, to pay premiums and insurance on the Subject Property or to repair or maintain the Subject Property or to complete improvements on the Subject Property; and

(g) Any and all expenses incident to the collection of the indebtedness secured hereby and the foreclosure hereof by action in any court; and

(h) All modifications, extensions and renewals of any of the obligations secured hereby, however evidenced.

THE MAXIMUM INDEBTEDNESS TO BE SECURED HEREBY SHALL NOT EXCEED FIVE TIMES THE PRINCIPAL FACE AMOUNT OF THE NOTE.

2.02 Obligations. The term "obligations" is used herein in its broadest and most comprehensive sense and shall be deemed to include without limit all interest and charges, default interest, prepayment charges, late charges and loan fees at any time accruing under or assessed on any of the Secured Obligations.

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2.03 Incorporation. All terms of the Secured Obligations are incorporated herein by this reference. All persons who may have or acquire an interest in the Subject Property shall be deemed to have notice of the terms of the Secured Obligations.

ARTICLE III. ASSIGNMENT OF RENTS

3.01 Assignment. Mortgagor irrevocably assigns to Mortgagee the rents, issues and profits of the Subject Property for the purposes and upon the terms and conditions set forth below. This assignment shall not impose upon Mortgagee any duty to produce rents from the Subject Property or cause Mortgagee to be (a) a "mortgagee in possession" for any purpose; (b) responsible for performing any of the obligations of the lessor under any lease; or (c) responsible for any waste committed by management, upkeep, repair or control of the Subject Property. This is an absolute assignment, not an assignment for security only, and Mortgagee's right to rents, issues and profits is not contingent upon, and may be exercised without, possession of the Subject Property. No collection by Mortgagor or Mortgagee of rents or other items pursuant to this Article III or otherwise shall cure or waive any Default by Mortgagor.

3.02 License. Mortgagee confers upon Mortgagor a license ("License") to collect and retain the rents, issues and profits of the Subject Property as they become due and payable,

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until the occurrence of a Default (hereinafter defined). Upon a Default, the License shall be automatically revoked and Mortgagee may collect and retain the rents, issues and profits without notice and without taking possession of the Subject Property. This right to collect rents, issues and profits shall not grant to Mortgagee the right to possession, except as provided below. Neither such right nor termination of the License shall impose upon Mortgagee the duty to produce rents, issues or profits or to maintain all or any part of the Subject Property.

3.03 Advance Rents; Consent to Leasing. Mortgagor shall not accept any deposit or prepayment of rental or lease payment in excess of one (1) month in advance without Mortgagee's prior written consent. Mortgagor agrees not to lease all or any part of the Subject Property and not to enter into an agreement providing for the management, leasing or operation of the Subject Property or any part thereof without the prior written consent of Mortgagee, which Mortgagee may grant or withhold in Mortgagee's absolute discretion.

3.04 Application of Rents. Mortgagee, in its sole discretion, may apply or require the application of any rents, issues or profits collected to the payment of any one or more of the Secured Obligations in such order as Mortgagee may elect.

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ARTICLE IV. SECURITY AGREEMENT; FIXTURE FILING

4.01 Creation of a Security Interest. Mortgagor hereby grants to Mortgagee a security interest in every portion of the Subject Property that is governed by the Uniform Commercial Code as adopted in the State of Illinois (the "Secured Property") together with any and all proceeds thereof and additions and accessions thereto for the purpose of securing all of the Secured Obligations.

4.02 Warranties, Representations and Covenants of Mortgagor. Mortgagor hereby warrants, represents and covenants as follows:

(a) Mortgagor lawfully possesses and holds a fee simple estate in and to the Subject Property without limitation on the right to encumber, and this Mortgage is a first and prior lien on the Subject Property.

(b) Mortgagor will not remove from the Subject Property, lease, sell, convey or in any other manner transfer any tangible personal property constituting Secured Property or remove it from the site of the real property covered by this Mortgage unless other tangible personal property of equal or greater value and utility is concurrently substituted therefor and placed on such real property. Such other personal property shall be subject to no lien, encumbrance or security interest other than this Mortgage.

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(c) Mortgagor will immediately notify Mortgagee of any change in its place of business as set forth in this Mortgage.

(d) From time to time within fifteen (15) days after request by Mortgagee, Mortgagor shall execute, acknowledge and deliver to Mortgagee such security agreements or instruments, in form and substance satisfactory to Mortgagee, covering the Secured Property and all other personal property of any kind whatsoever owned by Mortgagor or in which Mortgagor may have any interest which, in the reasonable opinion of Mortgagee, is necessary or useful to the operation of the Subject Property covered by this Mortgage. At the same time, Mortgagor shall execute, acknowledge and deliver each financing statement, renewal, affidavit, certificate, continuation statement or other document which Mortgagee requests in order to perfect, preserve, extend or maintain the security interest under, and the priority of, this Mortgage or such security instrument as a first lien. Mortgagor hereby appoints Mortgagee as Mortgagor's attorney-in-fact to execute, acknowledge and deliver for and in the name of Mortgagor any and all of the instruments mentioned in this paragraph and this power, being coupled with an interest, shall be irrevocable as long as any part of the Secured Obligations remains outstanding. However, neither a request so made by Mortgagee nor the failure of Mortgagee to make such a request shall be construed as a release of such property or any part

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thereof from the lien of this Mortgage, it being understood and agreed that this covenant and any such chattel mortgage, security agreement or other similar security instrument delivered to Mortgagee are cumulative and given as additional security.

(e) This Mortgage constitutes a security agreement as that term is used in the Uniform Commercial Code as adopted in the State of Illinois.

(f) The Note evidences a "business loan".

4.03 Remedies. Mortgagee shall have all the rights, remedies and recourse with respect to the Secured Property of a secured party under the Uniform Commercial Code as enacted in the State of Illinois. Such rights, remedies and recourse, as so limited, shall be in addition to those provided for herein or at law or in equity.

4.04 Fixture Filing. This Mortgage constitutes a financing statement filed as a fixture filing in the Office of the Recorder of Deeds of Cook County, Illinois, with respect to any and all fixtures included within the term "Subject Property" as used herein and with respect to any goods or other personal property that may now be or hereafter become such fixtures.

4.05 Name and Address of Mortgagee (Secured Party) and of Mortgagor (Debtor).

(a) The name and address of Mortgagee (Secured Party) are:

Bank of America
National Trust and Savings Association
Entertainment/Medical Health Services #5144

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555 South Flower Street - 49th Floor
Los Angeles, California 92071
Attention: Section Manager

are: (b) The name and address of Mortgagor (Debtor)

Lincoln West Medical Center
2544 West Montrose
Chicago, Illinois 60618

ARTICLE V. COVENANTS OF MORTGAGOR

5.01 Taxes and Assessments. Mortgagor shall pay prior to delinquency all taxes, assessments (general or special), levies and charges imposed by any public or quasi-public authority or utility company which are or which may become a lien upon the Subject Property or any interest therein. Mortgagor shall also pay prior to delinquency all taxes, assessments (general or special), levies and charges imposed by any public authority upon Mortgagee by reason of its interest in any Secured Obligation or in the Subject Property, or by reason of any payment made to Mortgagee pursuant to any Secured Obligation; but Mortgagor shall have no obligation to pay taxes which may be imposed from time to time upon Mortgagee and which are measured by and imposed upon Mortgagee's net income.

5.02 Performance of Secured Obligations. Mortgagor shall promptly pay and perform each Secured Obligation when due.

5.03 Liens, Encumbrances and Charges. Mortgagor shall pay when due all obligations secured by or reducible to liens and encumbrances, including, without limitation, any and all claims and demands of mechanics, materialmen, laborers and any others

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for any work performed on or materials delivered to the Subject Property, which shall now or hereafter encumber or appear to encumber all or any part of the Subject Property or any interest therein whether senior or subordinate to the lien of this Mortgage. Mortgagor shall immediately discharge any lien not approved by Mortgagee in writing that has or may attain priority over this Mortgage. Mortgagor shall have the right to contest in good faith the validity of any lien, encumbrance or charge prior to or upon a parity with this Mortgage if Mortgagor first deposits with Mortgagee a bond or other security satisfactory to Mortgagee in such amounts as Mortgagee shall reasonably require, and if Mortgagor thereafter diligently proceeds to cause such lien, encumbrance or charge to be removed and discharged. If Mortgagor fails to discharge any such lien, encumbrance or charge, then in addition to any other right or remedy of Mortgagee, Mortgagee may, but shall not be obligated to, discharge the same, either by paying the amount claimed to be due or by procuring the discharge of such lien by depositing in court a bond for the amount claimed or otherwise given security for such claim, or in such manner as may be prescribed by law, and any and all costs, fees or charges incurred by Mortgagee in so doing, together with interest at the Default Rate from the date incurred by Mortgagee until paid by Mortgagor shall be secured by this Mortgage and shall become a Secured Obligation.

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5.04 Insurance and Condemnation Proceeds. All awards of damages and all other compensation payable directly or indirectly by reason of a condemnation or proposed condemnation for public or private use affecting all or any part of, or any interest in, the Subject Property, all other claims, awards and judgments for damages to, or decrease in value of, all or any part of, or any interest in, the Subject Property, all proceeds of any insurance policies payable by reason of loss sustained to all or any part of the Subject Property, and all interest which may accrue on any of the foregoing (collectively, "Proceeds"), are all absolutely and irrevocably assigned to and shall be paid to Mortgagee. Mortgagee may (A) apply all or any of the Proceeds to its expenses in settling, prosecuting or defending the claim ("Expense") and apply the balance to the Secured Obligations in any order it determines, regardless of whether its security is impaired and regardless of Mortgagor's obligation to complete and restore the Subject Property pursuant to Section 5.05(c), and/or release all or any part of the Proceeds to Mortgagor upon any conditions Mortgagee may impose and (B) commence, appeal in, defend or prosecute any assigned claim or action and may adjust, compromise, settle and collect all claims and awards assigned to it, but shall not be responsible for any failure to collect any claim or award, regardless of the cause of the failure.

5.05. Maintenance and Preservation of the Subject Property. Mortgagor covenants:

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(a) To procure and maintain (i) a policy insuring the Subject Property against loss or damage by risks included in coverage of the type now known as the broad form of all-risk, extended coverage, in an amount not less than (A) the original amount of the Note or (B) the full replacement cost of the improvements on the Subject Property, whichever is greater, with the "Replacement Cost Endorsement" and, at Mortgagee's request, with an agreed value clause sufficient to eliminate any risk of co-insurance; (ii) a policy of comprehensive public liability insurance and property damage insurance with limits as reasonably required by Mortgagee, insuring against liability for injury or death to any person and property damage occurring on the Subject Property or in the improvements thereon from any cause whatsoever, which policy shall name Mortgagee as an additional insured; (iii) flood insurance (in the event flood insurance shall be required for the Subject Property under the United States Flood Disaster Protection Act of 1973 or any subsequent law then in effect); (iv) business interruption insurance for a term and in an amount acceptable to Mortgagee in its reasonable discretion; (v) worker's compensation insurance; and (vi) such other insurance coverage as Mortgagee may from time to time reasonably deem necessary including, without limitation, earthquake insurance. All insurance policies required hereunder shall be in such form, with such companies licensed to do business in the state of Illinois and rated no less than "A-XII"

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by Best's Insurance Guide and shall contain such endorsements, limits, exclusions, and deductibles as Mortgagee shall in its sole discretion require, and shall contain the Standard Lenders' Loss Payable Clause and the Standard Non-Contributory Mortgage Clause, or their equivalents, in favor of Mortgagee, and shall provide that the proceeds thereof shall be payable to Mortgagee to the extent of its interest. Prior to any advance under the Note and within 30 days prior to the expiration of each insurance policy required by Mortgagee, Mortgagor shall furnish Mortgagee with evidence satisfactory to Mortgagee of the payment of the premium for the required insurance together with a certified copy of each policy of insurance and a certificate of insurance for each such policy setting forth the coverage, the limits of liability, the name of the carrier, the policy number and the expiration date of the policy. Each required policy must provide that it cannot be cancelled or materially amended without at least thirty (30) days prior written notice to Mortgagee;

(b) Except with Mortgagee's prior written consent, not to remove or demolish the Subject Property or any part thereof; not to alter, restore or add to the Subject Property; and not to initiate or acquiesce in any change in any zoning or other land classification which affects the Subject Property; not to take any action which would result in the loss of the full right to use of the Subject Property for its present use;

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(c) To complete or restore promptly and in good and workmanlike manner the Subject Property or any part thereof which may be damaged or destroyed, without regard to whether Mortgagee requires the Proceeds to be used to reduce the Secured Obligations as provided in Section 5.04;

(d) Not to suffer violation of any, and to comply with all (i) laws, ordinances, regulations and standards, and (ii) all covenants, conditions, restrictions and equitable servitudes, whether public or private, and (iii) requirements of insurance companies and any bureau or agency which establishes standards of insurability, which laws, covenants or requirements affect the Subject Property and pertain to acts committed or conditions existing thereon, including without limit such work or alteration, improvement or demolition as such laws, covenants or requirements mandate;

(e) Not to commit or permit waste of the Subject Property; and

(f) To do all other acts which from the character or use of the Subject Property may be reasonably necessary to maintain and preserve its value.

5.06 Defense and Notice of Losses, Claims and Actions. Mortgagor shall protect, preserve and defend the Subject Property and title and right of possession thereto, the security hereof and the rights and powers of Mortgagee hereunder at Mortgagor's sole expense against all adverse claims.

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Mortgagor shall give Mortgagee prompt notice in writing of the assertion of any claim involving, of the filing of any action or proceeding against, of the occurrence of any damage to, and of any condemnation offer or action affecting the Subject Property.

5.07 Compensation; Exculpation; Indemnification.

(a) Mortgagor shall pay to Mortgagee standard compensation for services rendered concerning this Mortgage, including without limitation any statement of amounts owing under any Secured Obligation and a reasonable fee for administering the disbursement of Proceeds for the cost of reconstruction following damage, destruction or condemnation of the Subject Property. Mortgagee shall not directly or indirectly be liable to Mortgagor or any other person as a consequence of the following, and any liability to Mortgagor which Mortgagee would otherwise have for the following is hereby waived and released by Mortgagor: (i) the exercise of the rights, remedies or powers granted to Mortgagee in this Mortgage; (ii) the failure or refusal of Mortgagee to perform or discharge any obligation or liability of Mortgagor under any agreement related to the Subject Property or under this Mortgage; or (iii) any loss sustained by Mortgagor or any third party resulting from Mortgagee's failure to lease the Subject Property after a Default or from any other act or omission of Mortgagee in managing the Subject Property after a Default, unless the loss is caused by the willful misconduct and bad faith of Mortgagee.

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(b) Mortgagor indemnifies Mortgagee against, and holds harmless Mortgagee from all losses, damages, liabilities, claims, causes of action, judgments, court costs, attorneys' fees (including without limitation allocable costs and expenses, in-house counsel and other legal expenses, cost of evidence of title, cost of evidence of value, and other expenses which either may suffer or incur (i) by reason of this Mortgage; or (ii) by reason of the execution of this Mortgage or the performance of any act required or permitted hereunder or by law; or (iii) as a result of any failure of Mortgagor to perform Mortgagor's obligations; or (iv) by reason of any alleged obligation or undertaking on Mortgagee's part (in performance of any of Mortgagor's obligations) to perform or discharge any of the representations, warranties, conditions, covenants or other obligations contained in any other document related to the Subject Property; or (v) arising from or pertaining to any violation occurring upon the Subject Property of any statute pertaining to oil or hazardous waste materials.

(c) Mortgagor shall pay all indebtedness arising under this Section 5.07 immediately upon demand by Mortgagee together with interest thereon from the date the indebtedness arises until paid at the Default Rate (as hereinafter defined). Mortgagor's duty to indemnify Mortgagee shall survive the release and cancellation of the Secured Obligations and the release and reconveyance or any partial release or reconveyance of this

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Mortgage. As used herein, the term "Default Rate" shall mean the lesser of: (i) the maximum interest rate permitted by law or (ii) (A) during the period from and after the date of this Mortgage through and including September 29, 1989, a rate equal to the sum of the Reference Rate (as hereinafter defined) plus three and one-half percent (3.50%) per annum, (B) during the period commencing September 30, 1989, through and including September 29, 1992, a rate equal to the sum of the Reference Rate and three and three-quarters percent (3.75%) per annum, and (C) from and after September 30, 1992, a rate equal to the Reference Rate plus four percent (4%) per annum. As used herein, the term "Reference Rate" means and refers to the rate of interest publicly announced by Bank of America National Trust and Savings Association in San Francisco, California, as its "Reference Rate", as such rate may change from time to time. Any change in the Reference Rate shall take effect on the date specified in the public announcement of such change or, if there is no such public announcement, on the date of such change.

5.08 Reserves for Taxes and Insurance. At the request of Mortgagee, Mortgagor will pay to Mortgagee the annual cost for taxes and assessments and insurance premiums, in equal monthly installments, in such manner and subject to such rules as are determined by Mortgagee. Mortgagee shall be entitled to commingle the reserve funds with its other funds and shall not be obligated to pay interest thereon to Mortgagor. The reserve

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funds will be released to Mortgagor for payment of taxes, assignments and insurance premiums or may be so directly applied by Mortgagee, if Mortgagee so elects.

5.09 Transfer or Encumbrance of Subject Property.

Without first notifying and obtaining the written consent of Mortgagee in each and every instance, Mortgagor shall not agree to execute, nor execute or deliver any pledge, security agreement, mortgage, deed of trust or other instrument of hypothecation, covering all or any portion of the Subject Property or any interest therein or any capital stock or other interest in Mortgagor, nor sell, contract to sell, grant an option to purchase or right to first refusal, lease with option to purchase, convey, alienate, transfer or otherwise dispose of all or any portion of the Subject Property or any interest therein or any capital stock or other interest in Mortgagor, whether voluntarily or involuntarily, by operation of law or otherwise. In the event of a breach of the foregoing covenant of Mortgagor, Mortgagee shall have the right, at its option, to declare the Note, the Secured Obligations and any other indebtedness or obligation secured hereby, irrespective of the maturity date specified in the Note, immediately due and payable without notice or demand. Consent to one such transaction shall not be deemed a waiver of the right to require consent to future or successive transactions. Mortgagee may grant or deny such consent in its sole discretion and if consent should be given,

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any such transfer shall be subject to the Mortgage and any such transferee shall assume all obligations hereunder and agree to be bound by all provisions contained herein. Such assumption by the transferee shall not, however, release Mortgagor or any maker or other guarantor of the Note from liability hereunder without the express written consent of Mortgagee.

ARTICLE VI. DEFAULT PROVISIONS

6.01 Default. "Default" or "Event of Default" means (a) the failure by Mortgagor or Borrower to pay when due any of the Secured Obligations or any sums payable under the Guaranty, Note or any of the other Loan Documents, (b) the failure by Mortgagor to perform when due any obligation of Mortgagor hereunder, the breach by Mortgagor of any provision, covenant or condition contained herein, or the failure to be true of any representation or warranty of Mortgagor contained herein and the continuance of any such failure or breach for ten (10) days after notice, (c) the occurrence of any other default or "Event of Default" by Mortgagor under the terms of any of the other Loan Documents.

6.02 Rights and Remedies. At any time after Default, Mortgagee shall have all the following rights and remedies:

(a) With or without notice, to declare all Secured Obligations immediately due and payable;

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(b) With or without notice, and without releasing Mortgagor from any Secured Obligation, and without becoming a mortgagee in possession and without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure or any other action, to cure any breach or default of Mortgagor under the Loan Documents and, in connection therewith, to enter upon the Subject Property and to do such acts and things as Mortgagee or Mortgagees deem necessary or desirable to protect the security hereof including without limitation, to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of mortgagee or Mortgagee hereunder; to pay, purchase, contest or compromise any encumbrance, charge, lien or claim thereof which, in Mortgagee's sole judgment, is or may be senior in priority hereto; to obtain insurance; to pay any premiums or charges with respect to insurance required to be carried hereunder; and to employ counsel, accountants, contractors and other appropriate persons to assist them;

(c) To commence and maintain an action or actions to foreclose this instrument as a mortgage or to obtain specific enforcement of the covenants of Mortgagor hereunder, and Mortgagor agrees that such covenants shall be specifically enforceable by injunction or any other appropriate equitable remedy and that for the purposes of any suit brought under this subparagraph, Mortgagor waives the defense of laches and any applicable statute of limitations;

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(d) To apply to a court of competent jurisdiction for and obtain appointment of a receiver of the Subject Property as a matter of strict right and without regard to (i) the adequacy of the security for the repayment of the Secured Obligations, (ii) the existence of a declaration that the secured Obligations are immediately due and payable, or (iii) the filing of a notice of default; and Mortgagor consents to such appointment;

(e) To enter upon, possess, manage and operate the Subject Property or any part thereof; to take and possess all documents, books, records, papers and accounts of Mortgagor or the then owner of the Subject Property; to make, terminate, enforce or modify leases of the Subject Property upon such terms and conditions as Mortgagee deems proper; to make repairs, alterations and improvements to the Subject Property necessary, in Mortgagee's or Mortgagee's judgment, to protect or enhance the security hereof;

(f) To resort to and realize upon the security hereunder and any other security now or later held by Mortgagee concurrently or successively and in one or several consolidated or independent judicial actions or lawfully taken non-judicial proceedings, or both, and to apply the proceeds received upon the Secured Obligations all in such order and manner as Mortgagee shall determine in its sole discretion.

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At any sale of the Subject Property held pursuant to Section 6.02 (c) above, Mortgagee may bid, as the equivalent of cash, the amount of all or any of the Secured Obligations, including without limitation attorneys' fees. Any sale of the Subject Property held pursuant to Section 6.02(c) shall be free from all equity of redemption, the statutory right of redemption provided by any applicable Illinois statute, and any amendment or recodification of such statute, homestead, dower and all other exemptions and marital rights, all of which are hereby expressly waived and conveyed by Mortgagor.

6.03 Application of Foreclosure Sale Proceeds. After deducting all costs, fees and expenses of Mortgagee and of this trust, including cost of evidence of title and attorney's fees in connection with sale, Mortgagee shall apply all proceeds of any foreclosure sale to payment of: all sums expended by Mortgagee under the terms hereof and not then repaid, with accrued interest at the Default Rate; the payment of all other Secured Obligations in such order and amounts as Mortgagee in its sole discretion determines; and the remainder, if any, to the person or persons legally entitled thereto.

6.04 Application of Other Sums. All sums received by Mortgagee under Section 6.02 less all costs and expenses incurred by it or the receiver under Section 6.02, including attorneys' fees and the allocable costs and expenses of Mortgagee's in-house counsel, shall be applied in payment of the Secured Obligations

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In such order as Mortgagee shall determine in its sole discretion.

6.05 No Cure or Waiver. Neither Mortgagee's nor any receiver's entry upon and taking possession of all or any part of the Subject Property, nor any collection of rents, issues, profits, insurance proceeds, condemnation proceeds or damages, other security or proceeds of other security, or other sums, nor the application of any collected sum to any Secured Obligation, nor the exercise of any other right or remedy by Mortgagee or any receiver shall cure or waive any breach, Default or notice of default under this Mortgage, or nullify the effect of any notice of default or notice of sale (unless all Secured Obligations then due have been paid and performed and Mortgagor has cured all other defaults), or impair the status of the security, or prejudice Mortgagee in the exercise of any right or remedy, or be construed as an affirmation by Mortgagee of any tenancy, lease or option or a subordination of the lien of this mortgage.

6.06 Payment of Costs, Expenses and Attorneys' Fees. Mortgagor agrees to pay to Mortgagee immediately and without demand all costs and expenses incurred by Mortgagee pursuant to subparagraphs (a) through (g) inclusive of Section 6.02 (including without limit court costs and attorneys' fees and the allocable costs and expenses of Mortgagee's in-house counsel) with interest from the date of expenditure until such sums have been paid at the Default Rate.

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6.07 Power to File Notices and Cure Defaults.

Mortgagor hereby irrevocably appoints Mortgagee and its successors and assigns as its attorney-in-fact, which appointment is coupled with an interest (a) to execute and/or record any notices of completion, cessation of labor, or any other notices that Mortgagee deems appropriate to protect Mortgagee's interest, and (b) upon the occurrence of an event, act or omission which, with notice or passage of time or both, would constitute a Default, Mortgagee may perform any obligation of Mortgagor hereunder; provided, that (i) Mortgagee as such attorney-in-fact shall only be accountable for such funds as are actually received by Mortgagee, and (ii) Mortgagee shall not be liable to Mortgagor or any other person or entity for any failure to act under this section.

6.08 Waiver of Appraisalment, Valuation, Stay and

Extension Laws. Mortgagor agrees, to the full extent permitted by law, that in case of a Default, neither Mortgagor nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisalment, valuation, stay or excersion laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Subject Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereat. Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it

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may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Subject Property marshalled upon any foreclosure of the lien hereof and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Subject Property in part or as an entirety.

ARTICLE VII. MISCELLANEOUS PROVISIONS

7.01 Releases, Extensions, Modifications and Additional Security. Without notice to or the consent, approval or agreement of any persons or entities having any interest at any time in the Subject Property or in any manner obligated under the Secured Obligations ("Interested Parties"), Mortgagee may, from time to time, release any person or entity from liability for the payment or performance of any Secured Obligation, take any action or make any agreement extending the maturity or otherwise altering the terms or increasing the amount of any Secured Obligation, or accept additional security or release all or a portion of the Subject Property and other security for the Secured Obligations. None of the foregoing actions shall release or reduce the personal liability of any of the Interested Parties, or release or impair the priority of the lien of this Mortgage upon the Subject Property.

7.02 Subrogation. Mortgagee shall be subrogated to the lien of all encumbrances, whether released of record or not, paid in whole or in part by Mortgagee pursuant to this Mortgage or by

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the proceeds of any loan, advance or payment secured by this Mortgage.

7.03 Additional Provisions. The Loan Documents contain or incorporate by reference the entire agreement of the parties with respect to matters contemplated herein and supersede all prior negotiations. The Loan Documents grant further rights to Mortgagee and contain further agreements and affirmative and negative covenants by Mortgagor which apply to this Mortgage and to the Subject Property and which are incorporated herein by this reference.

7.04 Merger. No merger shall occur as a result of Mortgagee's acquiring any other estate in, or any other lien on, the Subject Property unless Mortgagee consents in writing to a merger.

7.05 Obligations of Mortgagor; Joint and Several. If more than one person has executed this Mortgage as "Mortgagor", the obligations hereunder of all such persons shall be joint and several.

7.06 Rules of Construction. When the identity of the parties or other circumstances make it appropriate, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural. The term "Subject Property" means all and any part of the Subject Property.

7.07 Successors in Interest. The terms, covenants, and conditions herein contained shall be binding upon and inure to

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the benefit of the heirs, successors and assigns of the parties hereto.

7.08 Incorporation. Exhibits A, B and C are incorporated into and made a part of this Mortgage by this reference.

7.9 Notices. All notices, consents, approvals and other communications required or permitted hereunder shall be in writing and shall be sent to Mortgagor or to Mortgagee at the addresses set forth in Section 4.05 above.

7.10 Choice of Law. This Mortgage, and the rights and obligations hereunder of each of the parties hereto shall be governed by, and construed in accordance with the internal laws of Illinois.

7.11 Calculation of Interest Rate. All agreements between Mortgagor and Mortgagee are expressly limited so that in no event whatsoever shall the amount paid or agreed to be paid to Mortgagee hereunder exceed the highest lawful rate permissible under applicable usury laws. In the event performance of any obligation of Mortgagor hereunder shall require the payment of interest in excess of such highest lawful rate, then such obligation shall, automatically and retroactively to the date hereof, be deemed reduced to the highest lawful rate permissible under applicable usury laws. If Mortgagee ever receives as interest an amount which would exceed such highest lawful rate, the amount of excessive interest shall not be applied to the

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payment of interest, but shall, automatically and retroactively to the act of payment, be applied to the sums due hereunder, and, if and to the extent such amount of excessive interest exceeds such sums due, be immediately returned by Mortgagee to Mortgagor without interest.

7.12 Severability. If any term of this Mortgage, or the application thereof to any person or circumstances, shall to any extent be invalid or unenforceable, the remainder of this Mortgage, or the application of such term to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby. Each term of this Mortgage shall be valid and enforceable to the fullest extent permitted by law.

7.13 Remedies Cumulative. The rights and remedies of Mortgagee as provided in the Guaranty, herein and in the other Loan Documents shall be cumulative and concurrent. They may be pursued singly, successively, or together against Mortgagor, the Subject Property or any other persons or entities who are or may become liable for all or any part of the indebtedness evidenced by the Guaranty, the Note or the other Loan Documents, including, without limitation, Borrower. Failure to exercise any such right or remedy shall in no event be construed as a waiver or release of such rights or remedies or the right to exercise them at a later time. The right, if any, of Mortgagor, Borrower and all other persons or entities who are, or may become, liable for all

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or any part of the indebtedness evidenced by the Guaranty, the Note and the other Loan Documents to plead any statute of limitation as a defense to any demand by Mortgagee is expressly waived by each and all of such parties to the fullest extent permitted by law.

7.14 No Amendment or Waiver Except in Writing. The provisions of this Mortgage may not be amended or modified orally in any manner, and may be amended or modified solely by a writing duly executed by Mortgagor and Mortgagee. No provision of this Mortgage may be waived by Mortgagee except in writing executed by it which expressly refers to this Mortgage. No such waiver may be implied from any act or conduct of Mortgagee or any omission by Mortgagee to take any action with respect to any provision of this Mortgage. No express written waiver shall affect any other provision of this Mortgage or cover any default or time period or event other than the matter as to which such express written waiver has been given.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage under seal as of the date first above written.

MORTGAGOR:

LINCOLN WEST MEDICAL CENTER, INC., a
Delaware corporation

By: RT Cuth
Its (Vice) President

Attest: Jeffrey E. Morrison
Its (Asst.) Secretary

[CORPORATE SEAL]

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ACKNOWLEDGMENT

STATE OF Georgia)
COUNTY OF Fulton) SS

I, Lillian E. Godfrey, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Rember T. Cribb and J. Frey E. Maxson of LINCOLN WEST MEDICAL CENTER, INC., a Delaware corporation, 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 they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said corporation for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 30th day of September, 1986.

Lillian E. Godfrey
Notary Public

My Commission Expires:
Notary Public, Fulton County, Georgia
My Commission Expires Sept. 10, 1990

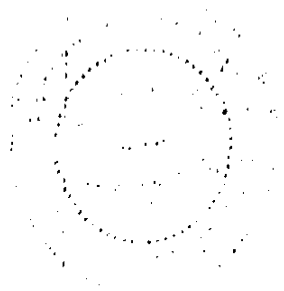
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Property of Cook County Clerk's Office



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EXHIBIT "A"

PARCEL 1:

LOTS 16 TO 21, IN BLOCK 17 IN NORTH WEST LAND ASSOCIATION SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTH EAST 1/4 (EXCEPT THE EAST 33 FEET LYING SOUTH OF THE NORTHWESTERN ELEVATED RAILROAD COMPANY'S RIGHT OF WAY) OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

LOTS 23 TO 25, IN BLOCK 16 IN NORTH WEST LAND ASSOCIATION SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTH EAST 1/4 (EXCEPT THE EAST 33 FEET LYING SOUTH OF THE NORTHWESTERN ELEVATED RAILROAD COMPANY'S RIGHT OF WAY), OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 3:

LOTS 35 AND 36 IN BLOCK 1 IN LUTZ PARK ADDITION TO RAVENSWOOD, BEING A SUBDIVISION OF LOTS 1 TO 3, IN THE SUPERIOR COURT PARTITION OF THE NORTH 1/2 OF THE SOUTH EAST 1/4 OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 4:

LOT 18 IN BLOCK 16 IN NORTH WEST LAND ASSOCIATION SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTH EAST 1/4 (EXCEPT THE EAST 33 FEET THEREOF) LYING SOUTH OF THE NORTHWESTERN ELEVATED RAILROAD COMPANY'S RIGHT OF WAY OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 5:

LOTS 20 TO 22 IN BLOCK 16, IN NORTH WEST LAND ASSOCIATION SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTH EAST 1/4 (EXCEPT THE EAST 33 FEET THEREOF) IN SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE RIGHT OF WAY OF THE NORTHWESTERN ELEVATED RAILROAD IN COOK COUNTY, ILLINOIS

PARCEL 6:

LOTS 22 AND 23 IN BLOCK 17, IN NORTH WEST LAND ASSOCIATION SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTH EAST 1/4 (EXCEPT THE EAST 33 FEET THEREOF) LYING SOUTH OF THE NORTHWESTERN ELEVATED RAILROAD COMPANY'S RIGHT OF WAY OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

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EXHIBIT 9A 1 5 1 1 0 6
(CONTINUED)

PARCEL 7:

LOTS 16 AND 17 IN BLOCK 16, IN THE NORTH WEST LAND ASSOCIATION SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTH EAST 1/4 (EXCEPT THE EAST 33 FEET THEREOF) IN SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE RIGHT OF WAY OF THE NORTHWESTERN ELEVATED RAILWAY COMPANY IN COOK COUNTY, ILLINOIS

PARCEL 8:

LOTS 31 TO 33 IN BLOCK 1 IN LUTZ PARK ADDITION TO RAVENSWOOD, BEING A SUBDIVISION OF LOTS 1 TO 3, IN THE SUPERIOR COURT PARTITION OF THE NORTH 1/2 OF THE SOUTH EAST 1/4 OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 9:

LOTS 24 AND 25 IN BLOCK 17, IN NORTH WEST LAND ASSOCIATION SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTH EAST 1/4 (EXCEPT THE EAST 33 FEET THEREOF) LYING SOUTH OF THE ~~NORTHWEST~~* RIGHT OF WAY OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

*NORTHWESTERN ELEVATED RAILROAD COMPANY'S

PARCEL 10:

LOT 34 IN BLOCK 1 IN LUTZ PARK ADDITION TO RAVENSWOOD, BEING A SUBDIVISION OF LOTS 1 TO 3, IN THE SUPERIOR COURT PARTITION OF THE NORTH 1/2 OF THE SOUTH EAST 1/4 OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 11:

LOT 19 IN BLOCK 16 IN NORTH WEST LAND ASSOCIATION SUBDIVISION OF THAT PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE NORTH EAST 1/4 (EXCEPT THE EAST 33 FEET) LYING SOUTH OF THE NORTHWESTERN ELEVATED RAILROAD COMPANY'S RIGHT OF WAY OF SECTION 13, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Street Address 2544 W. Montrose, Chicago
Permanent Tax #s

13	13	231	030	13	13	232	029
13	13	231	031	13	13	232	032
13	13	231	032	13	13	402	001
13	13	231	033	13	13	402	002
13	13	232	027	13	13	402	003
13	13	232	028	13	13	402	004

21-28-03/COR

GUARANTY

THIS GUARANTY ("Guaranty") is made as of September 30, 1986, by LINCOLN WEST MEDICAL CENTER, INC., a Delaware corporation ("the Guarantor"), in favor of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a national banking association (the "Bank").

A. RECITALS

WHEREAS, FORUM HEALTH INVESTORS OF GEORGIA, INC., a Georgia corporation (the "Company"), and FORUM HEALTH ACQUISITION, INC., a Georgia corporation (the "Borrower") have entered into that certain Term Loan Agreement by and among (the Company, the Borrower and the Bank and dated as of September 30, 1986 (as amended or otherwise modified from time to time, the "Loan Agreement"); capitalized terms used herein and not otherwise defined herein shall have the meanings given to them in the Loan Agreement, and the use of the neuter gender shall include the masculine and feminine);

WHEREAS, Guarantor is the wholly-owned subsidiary of the Borrower;

WHEREAS, the Bank is willing to extend credit to the Borrower under the Loan Agreement only upon the condition that all obligations of the Borrower are guaranteed by the Guarantor to the extent hereinafter set forth;

WHEREAS, the Guarantor is willing to guarantee all obligations of the Borrower under the Loan Agreement and the other Loan Documents as hereinafter provided as an inducement to the Bank to enter into the Loan Agreement and to grant such credit to the Borrower by reason of which credit and other financial accommodations will be granted to the Guarantor, and other benefits will accrue to the Guarantor because such credit is necessary for the continued successful operation of the Company, the Borrower and their Subsidiaries, of which group of corporations the Guarantor is an integral component part;

NOW, THEREFORE, in consideration of the premises and to induce the Bank to enter into the Loan Agreement and to extend the loans referred to above, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor hereby agrees as follows:

B. REPRESENTATIONS AND WARRANTIES

The Guarantor hereby represents and warrants that:

1. The Guarantor (a) is a corporation duly organized and validly existing under the laws of its State of incorporation as indicated in the heading of this Guaranty, (b) is properly licensed to conduct its business and is in good standing therein and in all other jurisdictions where necessary to maintain its rights and privileges, (c) has all requisite power and authority to own and operate its properties in each jurisdiction in which it owns or operates properties, and (d) has complied with the fictitious name statute of every jurisdiction where necessary.

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2. The Guarantor has all requisite corporate and legal power and adequate authority, rights, licenses and franchises to own and operate its assets, and to carry on its business.

3. The execution, delivery and performance of this Guaranty, the security instruments to be given by the Guarantor referred to in Section C-2 hereof and any other documents or instruments executed and delivered by the Guarantor pursuant thereto or in connection therewith (collectively, the "Guaranty Documents"), are within the Guarantor's corporate powers, have been duly authorized by all necessary corporate authority, do not conflict with the terms of the Guarantor's certificate of incorporation, bylaws, charter or any other organization papers of the Guarantor, do not violate any law, rule or regulation, and will not conflict with, result in a breach of, or constitute a default under, any Contractual Obligation of the Guarantor, and do not result in or require the creation of a Lien (other than for the benefit of the Bank pursuant to the security instruments referred to above) upon or with respect to any assets of the Guarantor (other than in favor of the Bank under the Loan Agreement).

4. Except for (a) the filing of the recordation of any deed of trust, mortgage or other security instrument executed by the Guarantor, (b) any reports to be filed by the Guarantor under Section 13 or 15d of the Securities Exchange Act of 1934, as amended, and (c) notices to be filed or approvals to be obtained under health care certificate of need for licensing provisions upon the transfer of stock or a hospital of the Guarantor by the Bank pursuant to a disposition of the Collateral or the voting of Stock Collateral by the Bank after a Default, the execution, delivery or performance by or enforcement against the Guarantor of any Loan Documents to which it is or will be a party does not require any Governmental Action.

5. This Guaranty and each other Loan Document to which the Guarantor is or will be a party is, or upon execution and delivery by the Guarantor will be, the legal, valid and binding obligation of the Guarantor enforceable against it in accordance with its respective terms.

6. The unaudited balance sheets of the Guarantor as of May 31, 1988, and the related unaudited statements of income and retained earnings and of sources and applications of funds and reconciliation of capital accounts of the Guarantor for the fiscal year then ended, copies of which have been furnished to the Bank, present fairly the financial condition of the Guarantor as of such date and results of the operations of the Guarantor for the period ended on such date, all in accordance with GAAP consistently applied, and since May 31, 1988, there has been no material adverse change in the condition (financial or otherwise), assets or operations of the Guarantor. The Guarantor does not have any debt of the type described in Clause (f) of the definition of Debt in the Loan Agreement or any other material contingent liability, material lease or other contract or material commitment not disclosed in the foregoing financial statements;

7. Except as listed in Schedule I hereto, there is no pending or to knowledge of the Guarantor threatened action or proceeding affecting the Guarantor or any of its assets before any Governmental Authority which may materially adversely affect the condition (financial or otherwise), assets or operations of the Guarantor or which may materially adversely affect the Guarantor's ability to perform its obligations under the Loan Documents to which it is or will be a party, including this Guaranty. The Guarantor is not in breach of the terms of any Governmental Action.

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8. The Guarantor has filed all tax returns required to be filed by it and has paid all taxes, assessments and governmental charges payable by it that have become due, except to the extent permitted by Section 8.1(b) of the Loan Agreement, for all prior fiscal years and for the current fiscal year to the date hereof. The Guarantor knows of no imposed tax assessment against the Guarantor or any of its assets, material to the Guarantor's condition (financial or otherwise), assets or operations.

9. The Guarantor is not subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, the Interstate Commerce Act, the Investment Company Act of 1940 any state public utility law or any other Federal, foreign or state statute or regulation limiting or otherwise regulating its ability to enter into and perform its duties and obligations under this Guaranty.

10. The Guarantor is not a party to any Contractual Obligation materially adversely affecting its condition (financial or otherwise), assets or operations. The Guarantor is not in breach of the material terms of any of its Contractual Obligations.

11. Each Plan maintained by the Guarantor or any ERISA Affiliate of the Guarantor is in compliance with ERISA and the IRC and the Guarantor and each ERISA Affiliate of the Guarantor has filed all material reports required to be filed by ERISA or the IRC. There is no accumulated funding deficiency as defined in Section 412 of the IRC, with respect to any Plan subject to Section 412 of the IRC and neither the Guarantor nor any ERISA Affiliate of the Guarantor has any termination or withdrawal ability under Title IV.

12. The Guarantor possesses all patents, licenses, certificates of need, permits, franchises, trademarks, trade names, trade secrets, service marks, copyrights, Governmental Actions and all other rights which are required to conduct its business without known conflicts with rights of others.

13. The Guarantor is in compliance with all applicable federal, state and local laws and regulations relating to air, water, soil and other environmental quality and zoning, medical, health and other laws and regulations.

14. The Bank has a valid and perfected first priority (subject only to Permitted Liens) lien on and a security interest in all of the Guarantor's Collateral (whether now or hereafter owned by the Guarantor), which lien and security interest will be enforceable against the applicable Grantor and all third parties and secure obligations of the Guarantor to the Bank under the Loan Documents, and all filings, recordings and other actions necessary under any laws to perfect and protect such liens and security interests as first-priority (subject only to Permitted Liens) liens and security interest in such Collateral have been duly taken, except in the case of proceeds consisting of non-identifiable cash proceeds, certificates or instruments other than instruments that constitute chattel paper) possession of which by the Bank is required for the perfection of the Bank's security interest therein.

15. No financial statements, documents, certificate or other written communication furnished to the Bank by or on behalf of the Guarantor or any other Loan Party in connection with this Guaranty contains any untrue statement of a material fact (known to the Guarantor in the case of materials not furnished by the Guarantor) or omits to state a material fact (known to the Guarantor in the case of materials not furnished by the Guarantor) necessary in order to make the statements contained herein

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and not misleading. There is no fact known to the Guarantor which materially adversely affects the condition (financial or otherwise), assets or obligations of the Guarantor which has not been disclosed herein or in such financial statements, documents, certificates or other written communications to the Bank in connection with this Guaranty.

16. Without limiting Section B-4 above, the execution, delivery and performance of this Guaranty will not cause the Guarantor to be insolvent under applicable federal and state laws or otherwise cause a breach of the Company's and the Borrower's covenants set forth in Section 6.1(l) of the Loan Agreement.

The Guarantor agrees that for so long as this Guaranty remains in effect each of the above representations and warranties and each other representation or warranty of the Guarantor contained herein or in the other Guaranty Documents shall be deemed to be remade as of the last Business Day of each calendar quarter.

C. GUARANTY

1. The Guarantor hereby absolutely unconditionally and irrevocably guarantees, and promises to pay on demand to the Bank, or to order, in lawful money of the United States, when due (whether at stated maturity, by acceleration or otherwise), any and all debts, liabilities and other obligations of the Borrower to the Bank arising out of the Loan Agreement and any other Loan Document to which the Borrower is a party, including, without limitation, the Note issued by the Borrower under the Loan Agreement (hereinafter called, collectively, the "Obligations"); provided, however, that the maximum liability of the Guarantor hereunder shall not in any event exceed the Maximum Guaranteed Amount (as hereinafter defined) notwithstanding that the aggregate amount of the Obligations payable at any time may exceed the Maximum Guaranteed Amount.

The word "Obligations" is used herein in its most comprehensive sense and includes all principal, interest and other amounts payable under the Note, all obligations for advances, loans, debts, interest, fees, indemnities, costs, expenses (including, without limitation, attorneys' fees and expenses, which in turn include without limitation, the reasonable estimate of the allocable costs of in-house legal counsel and staff of the Bank) and all other amounts payable from time to time under the Loan Agreement, the Note and the other Loan Documents, and any and all other obligations and liabilities of the Borrower now or hereafter made, incurred or created, and however arising, under the Loan Agreement, the Note and the other Loan Documents, and all renewals, extensions, restructurings, refinancings and refundings of any and all such obligations and liabilities, including, without limitation, any interest which would have accrued but for the commencement of a proceeding under any bankruptcy, reorganization, insolvency or similar laws, whether direct or contingent, matured or unmatured, liquidated or unliquidated, whether any of such Obligations are from time to time reduced or extinguished and thereafter increased or incurred, whether recovery upon such Obligations may be or hereafter become barred, in whole or in part, by any statute of limitations, or whether such Obligations may be or hereafter become otherwise unenforceable, in whole or in part.

As used in this Guaranty, "Maximum Guaranteed Amount" shall mean the sum of (x) \$14,500,000.00 for Obligations in respect of principal, (y) Obligations in respect of interest as shall not exceed interest on the foregoing principal amount (exclusive of liability under any other guaranties) and (z) Obligations in respect of fees, indemnities, costs, expenses and all other amounts.

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The Guarantor agrees that the Obligations may at any time and from time to time exceed the Maximum Guaranteed Amount without notice to the Guarantor and without affecting in any manner the Guarantor's liability hereunder.

Any payment by Guarantor shall not reduce its maximum obligation hereunder, unless written notice to reduce such maximum by the amount of such payment is actually received by the Bank at or prior to the time of such payment.

2. All obligations of the Guarantor hereunder shall be secured by a first-priority perfected lien or security interest (subject only to applicable Liens permitted under Section 8.2 of the Loan Agreement) in all Collateral owned by the Guarantor pursuant to a Security Agreement to be executed and delivered by the Guarantor as provided in the Loan Agreement and pursuant to a Mortgage, Assignment of Rents, Security Agreement and Fixture Filing to be executed and delivered by the Guarantor as provided in the Loan Agreement. The Guarantor ratifies and consents to all the terms and conditions of the provisions of the Loan Agreement which obligate the Company and the Borrower to cause each of the Borrower's Subsidiaries to take or refrain from certain action, and agrees to be bound by and to comply with all provisions of the Loan Agreement applicable to Subsidiaries of the Company and the Borrower to the same extent as if it were a party to the Loan Agreement. Without limiting the generality of the foregoing, the Guarantor agrees that it will comply with the provisions of Section 6 of the Loan Agreement which are applicable to a "Subsidiary."

3. This is a guaranty of payment not of collectability. The Guarantor's obligations hereunder are those of a primary obligor, and not merely as a surety, are independent of the Obligations, are joint and several with respect to the liabilities of any other obligor in respect of the Obligations, and a separate action or actions may be brought against the Guarantor whether an action is brought against the Company, the Borrower or any other obligor in respect of the Obligations or whether the Company, the Borrower or any other obligor in respect of the Obligations be joined in any such action or actions; and the Guarantor waives the benefit of any statute or limitations affecting its liability hereunder or the enforcement thereof. Without derogating from the foregoing, any circumstances which operate to toll the statute of limitations as to the Company or the Borrower, shall operate to toll the statute of limitations hereunder.

4. The obligations of the Guarantor under this Guaranty are continuing, absolute and unconditional, and the Guarantor guarantees that the Obligations will be paid in full when due (whether at stated maturity, by acceleration or otherwise) in accordance with the terms of the Loan Agreement and the other Loan Documents, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Bank with respect thereto or any other circumstance which might otherwise constitute a defense available to, or a legal or equitable discharge of, a guarantor.

5. This Guaranty shall in all respects remain in full force and effect notwithstanding, without limitation, the dissolution, liquidation, bankruptcy, insolvency or reorganization of the Company, the Borrower or any other obligor in respect of the Obligations (including, without limitation, the Guarantor) or that at any time or from time to time all Obligations may have been paid in full.

This Guaranty shall in all respects continue in full force and effect or shall be reinstated, as the case may be, if at any time payment, in whole or in part, of any of the

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Obligations is rescinded or must otherwise be restored or returned for any reason, including, without limitation, because of the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company, the Borrower or any other obligor in respect of the Obligations (including, without limitation, the Guarantor) or upon or as a result of the appointment of a custodian, receiver, trustee or other officer with similar power with respect to the Company, the Borrower or any such other obligor or any material part of its assets, or otherwise, all as though such payment had not been made. If an event permitting the acceleration of the Obligations shall any time have occurred and be continuing and such acceleration shall at such time be prevented by reason of the pendency against the Company or the Borrower of a case or proceeding under any bankruptcy, reorganization, insolvency or similar law, the Guarantor agrees that, for purposes of this Guaranty and its obligations hereunder, the Obligations shall be deemed to have been accelerated under the Loan Agreement, and the Guarantor shall forthwith pay such Obligations, and the other obligations hereunder, without any further notice or demand.

Without limiting the foregoing, the Guarantor authorizes the Bank, without notice or demand and without affecting the Guarantor's liability hereunder, from time to time to: (a) renew, extend, increase, accelerate, compromise, settle, subordinate, restructure, refinance, refund or otherwise change the amount and time for payment of the Obligations, or otherwise change the terms of the Obligations or any part thereof, including, without limitation, amend, modify, supplement, waive or consent to a departure from the terms and conditions of the Loan Agreement or any other Loan Document and increase or decrease the amount of or the rate of interest on the Obligations; (b) take and hold security for the payment of this Guaranty or the Obligations or the obligations of other obligors in respect of the Obligations and enforce any such security; (c) apply such security and direct the order or manner of sale thereof or sell, exchange, subordinate, release, compromise, settle, waive or surrender any such security; and (d) take, hold, exchange, subordinate, release, compromise, settle, amend or waive, or consent to the departure from the terms of, any guaranty, endorsement or other agreement relating to the liability of any other obligor in respect of the Obligations; whether or not any or all of the foregoing occur pursuant to a bankruptcy, reorganization or other similar proceeding or otherwise, including, without limitation, pursuant to an election or other action under Section 364 or 1111 of the Bankruptcy Code or otherwise. The Bank shall have no obligation to perfect, secure, protect or insure any Loan Document or any Collateral and the Guarantor's liability hereunder shall not be affected by the non-perfection, invalidity or unenforceability of any Collateral or Loan Document.

6. Notwithstanding any payments made by the Guarantor hereunder or any set-off referred to in Section C-9 hereof, the Guarantor shall not be entitled to be subrogated to any of the rights of the Bank against the Company, the Borrower or any other obligor in respect of the Obligations, or to any Collateral or other rights or interests held for the payment of the Obligations, nor shall the Guarantor seek any reimbursement from the Company, the Borrower or any such other obligor in respect of any such payments or set-offs until all Obligations (even those that exceed the Maximum Guaranteed Amount) and all obligations of the Guarantor hereunder have been finally paid in full in cash. If the Guarantor shall receive any payment on account of any subrogation rights at any time when all the Obligations and the Guarantor's obligations hereunder shall not have been paid in full, any amount so paid will be segregated and held in trust by the Guarantor and promptly turned over to the Bank to be applied first to the Obligations until paid in full and thereafter to the Guarantor's obligations hereunder. The Bank may foreclose, judicially or by power of sale or otherwise, on any deed of trust, mortgage or other security instrument (whether or not such security covers assets of the Company, the

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Borrower, the Guarantor or any other obligor in respect of the Obligations), or take or fail to take any other action, whether or not such foreclosure or other action or inaction is commercially reasonable, and, even though such foreclosure, action or inaction may impair, diminish or destroy the Guarantor's subrogation or other rights or remedies against the Company, the Borrower or any such other obligor or any such assets, the Guarantor shall remain fully liable for all its obligations hereunder.

7. The Guarantor unconditionally waives any right, to the fullest extent permitted by applicable law, to require the Bank to: (a) proceed against the Company, the Borrower or any other obligor in respect of the Obligations; (b) proceed against or exhaust any security held directly or indirectly on account of the Obligations; (c) pursue any other remedy in the Bank's powers whatsoever; (d) give the Guarantor prior or subsequent notice of the disposition of any security; or (e) give the Guarantor notice of any information concerning the Company's or the Borrower's or any of their Subsidiaries' assets, business, operations or condition (financial or otherwise) known to the Bank (it being the sole obligation of the Guarantor to keep itself informed of the risk of non-payment of the Obligations and otherwise with respect to such assets, business, operations or condition). Guarantor's obligations hereunder shall continue in full force and effect notwithstanding despite any change in relationship, status or shareholdings between Guarantor, the Company, and any other Loan Party. The Guarantor unconditionally waives any defense arising by reason of any disability or other legal or equitable defense of the Company or the Borrower by reason of the cessation from any cause whatsoever of the liability of the Company other than final payment in full in cash of the Obligations. Until the Obligations have been finally paid in full in cash the Guarantor shall withhold exercise of (i) any right to enforce any remedy which the Bank now has or may hereafter have against the Company, the Borrower or another Person, and (ii) any benefit of, and any right to participate in, any security now or hereafter held by the Bank. The Guarantor waives, to the extent permitted by applicable law, all diligence, presentments, protests, notices of protest, notices of dishonor, notices of non-payment, acceptance and notices of acceptance of this Guaranty, and notice of the existence, creation or incurring of any Obligations.

8. Any Debt of the Company or the Borrower now or hereafter held by or owed to the Guarantor is subordinated in right of payment and in all other respects to the prior final payment in full in cash of the Obligations pursuant to the Intercompany Debt Subordination Agreement referred to in the Support Schedule to the Loan Agreement. The Guarantor acknowledges and agrees that the Loan Agreement restricts the Company and the Borrower from making loans and advances to, or obtaining loans and advances from, the Guarantor without the consent of the Bank, and the Guarantor agrees to comply with such restrictions. The Guarantor further agrees that any amounts received by it in contravention of such restrictions shall be segregated and held in trust and be immediately turned over to the Bank as Collateral for the Obligations.

9. Upon the occurrence of any Event of Default, the Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, without notice or demand, to set-off and apply all deposits (general or special, custodial or for other safekeeping, time or demand, provisional or final) and other property (including, without limitation, money and securities) at any time held by or in the possession of the Bank, and other obligations at any time owing by the Bank to or for the credit or the account of the Guarantor, in each of which deposits, property and other obligations the Bank is hereby granted a lien and security interest, against any and all obligations of the Guarantor now or hereafter existing under this Guaranty, irrespective of whether or not

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the Bank shall have made any demand under this Guaranty and although such obligations may be contingent and unmatured. The rights of the Bank under this Section C-9 are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Bank may have.

10. No amendment or waiver of any provision of this Guaranty, nor consent to any departure by the Guarantor therefrom, shall in any event be effective unless the same is signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the specific purpose given. No failure on the part of the Bank to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any provided by law or at equity.

11. The Guarantor agrees to pay attorneys' fees, including, but not limited to, the reasonable estimate of the allocable costs of in-house legal counsel and staff, for the Bank and all other costs and expenses which may be incurred by the Bank in the preparation, administration or enforcement of this Guaranty.

12. The Guarantor hereby irrevocably consents to personal jurisdiction in the Superior Court of the State of California for the County of Los Angeles or the United States District Court for the Central District of California over any suit, action or proceeding arising out of or relating to this Guaranty, and the Guarantor hereby irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined in such courts. The Guarantor hereby agrees that service of the summons and complaint and all other process which may be served in any such suit, action or proceeding may be effected by mailing by registered mail a copy of such process to the Guarantor's President or other officer at its address specified below and that personal service of process shall not be required. Nothing herein shall be construed to prohibit service of process by any other method permitted by law or the bringing of any suit, action or proceeding in any other jurisdiction. The Guarantor agrees that final judgment in any such suit, action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

13. Any provision of this Guaranty which may be prohibited by law or otherwise held invalid shall be ineffective only to the extent of such prohibition or invalidity and shall not invalidate or otherwise affect the remaining provisions of this Guaranty.

14. The Bank may, without notice to or consent from the Guarantor, assign or otherwise transfer, or grant a participation in, the Obligations, or any interest therein, or the Collateral, in whole or in part, to the extent permitted by Section 8.8 of the Loan Agreement without affecting in any manner whatsoever the Guarantor's liability hereunder. Any permitted assignee or other transferee of, or participant in, the Obligations owing to the Bank shall thereupon become vested with all rights in respect thereof granted to the Bank herein (including, without limitation, any rights of set-off) to the same extent as if such assignor, transferee or participant were the transferring Bank, and such Obligations shall be and remain Obligations for purposes of this Guaranty. This Guaranty shall be binding upon the Guarantor and its successors and assigns and inure to the benefit of the Bank and its respective successors, assigns and other transferees; provided, however, that this Guaranty shall not be construed as conferring any rights or benefits upon any other Person and, provided, further, the Guarantor shall not assign or transfer any of its rights or obligations hereunder without the express written consent of

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the Bank. The Guarantor hereby waives acceptance and notice of acceptance of this Guaranty by the Bank.

15. This Guaranty shall be governed by and construed according to the laws of the State of Illinois.

16. The Guarantor agrees that it will:

(a) Furnish to the Bank:

(i) As soon as available and in any event within 45 days after the end of each fiscal quarter, balance sheets of the Guarantor as of the end of such quarter, and statements of income and retained earnings, and statements of sources and applications of funds and reconciliation of capital accounts, of the Guarantor for the period commencing at the end of the previous fiscal quarter and ending with the last day of such fiscal quarter and for the period of the Guarantor's fiscal year ending with the last day of such fiscal quarter, in reasonable detail and stating in comparative form the figures for the corresponding date and periods in the previous fiscal year, certified by the Chief Financial Officer of the Guarantor as presenting fairly the financial condition and results of operations of the Guarantor as of the dates and for the periods indicated and as having been prepared in accordance with GAAP;

(ii) As soon as available, and in any event within 90 days after the end of each fiscal year of the Guarantor, a copy of the audit report for such year for the Guarantor containing the financial statements of the type described in Clause (i) for such year and for the previous fiscal year in comparative form certified without qualification by Arthur Young & Company, or such other independent certified public accountants of recognized national standing selected by the Guarantor and acceptable to the Bank, as presenting fairly the financial condition of the Guarantor, as of the dates and for the periods indicated and has having been prepared in accordance with GAAP and generally accepted auditing standards, consistently applied (except as otherwise specifically noted and with which any such changes such auditors have agreed);

(iii) Promptly after the sending or filing thereof, copies of all financial statements, material reports or other material information including notices of default which the Guarantor sends to any of its security holders or partners and copies of all reports and registration statements which the Guarantor files with the Securities and Exchange Commission or any securities exchange;

(iv) Promptly after request therefor, such other information regarding the condition (financial or otherwise), assets or operations of the Guarantor, as the Bank may from time to time reasonably request.

(b) Comply in all material respects with all applicable laws, rules and regulations and Governmental Actions, and all Contractual Obligations, such compliance to include, without limitation, paying before the same become delinquent, all taxes, assessments and governmental charges imposed upon it or upon its assets except to the extent that any of the foregoing are contested in good faith by appropriate proceedings diligently conducted.

(c) At all times preserve and maintain its corporate existence and all rights, privileges, franchises, licenses and other authority material to its business and at

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at all times license and qualify and remain licensed and qualified as a foreign corporation authorized to do business in each jurisdiction where its business makes such license or qualification necessary.

(d) Keep accurate and complete books and records of account in accordance with GAAP and permit, during regular business hours, the Bank or its representatives, to inspect, audit and examine the Guarantor's books and records and to take extracts and copies thereof, to inspect Guarantor's assets and to discuss Guarantor's affairs with any independent certified public accountant.

(e) Not, directly or indirectly, enter into any transaction of merger, consolidation, or liquidation, winding up or dissolution, or convey, sell, lease, transfer or otherwise dispose of, in one transaction or a series of transactions, all or substantially all of its business or assets whether now owned or hereafter acquired.

(f) Immediately upon the occurrence thereof, give notice to the Bank of any Event of Default involving the Guarantor as set forth in Section 7.1 of the Loan Agreement.

17. The Bank shall not be required to inquire into the power or authority of the Company, the Borrower or any Person purporting to act on behalf of the Company, or the Borrower, and any Obligations created based on the professed exercise of any such power or authority are guaranteed hereunder. The Guarantor agrees that the Bank's books and records showing the Obligations owing shall be binding on the Guarantor as prima facie evidence of such Obligations.

IN WITNESS WHEREOF, the Guarantor has executed this Guaranty under seal as of the date first above written.

"Guarantor"

LINCOLN WEST MEDICAL CENTER, INC.,
a Delaware corporation

By: RT Cuff

Title: (Vice) President

Attest: Jeffrey E. Morrison

Title: (Asst.) Secretary

(CORPORATE SEAL)

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Accepted:

BANK OF AMERICA NATIONAL TRUST AND
SAVINGS ASSOCIATION

By: _____ /s/
Title: _____ /s/

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Schedule I Governmental Action and Material Litigation

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EXHIBIT "C"

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[FORM OF TERM NOTE]

FORUM HEALTH ACQUISITION, INC.

PROMISSORY NOTE DUE SEPTEMBER 30, 1994

NO ITEM TO INSERT

Los Angeles, California

September 30, 1986

FOR VALUE RECEIVED,

NO ITEM TO INSERT

, a Georgia corporation (the "Company"), promises to pay to the order of Bank of America National Trust and Savings Association (the "Bank") the principal amount of

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(NO ITEM TO INSERT

) in 32 equal consecutive installments in the amounts and on the dates specified below.

The Company also promises to pay interest on the aggregate unpaid principal amount hereof from the date hereof until paid in full at the rates and at the times in accordance with the provisions contained in the Term Loan Agreement dated as of September 30, 1986 among Forum Health Investors of Georgia, Inc., a Georgia corporation, the Company and BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION (as amended or otherwise modified from time to time, the "Loan Agreement"). Capitalized terms used herein without definition shall have the meanings set forth in the Loan Agreement.

The Company shall make principal payments on this Note in installments in the amounts and on the dates as follows:

<u>Payment Date</u>	<u>Amount</u>	<u>Payment Date</u>	<u>Amount</u>
December 31, 1986	\$453,125	December 31, 1990	\$453,125
March 31, 1987	\$453,125	March 31, 1991	\$453,125
June 30, 1987	\$453,125	June 30, 1991	\$453,125
September 30, 1987	\$453,125	September 30, 1991	\$453,125
December 31, 1987	\$453,125	December 31, 1991	\$453,125
March 31, 1988	\$453,125	March 31, 1992	\$453,125
June 30, 1988	\$453,125	June 30, 1992	\$453,125
September 30, 1988	\$453,125	September 30, 1992	\$453,125
December 31, 1988	\$453,125	December 31, 1992	\$453,125
March 31, 1989	\$453,125	March 31, 1993	\$453,125
June 30, 1989	\$453,125	June 30, 1993	\$453,125
September 30, 1989	\$453,125	September 30, 1993	\$453,125
December 31, 1989	\$453,125	December 30, 1993	\$453,125
March 31, 1990	\$453,125	March 31, 1994	\$453,125
June 30, 1990	\$453,125	June 30, 1994	\$453,125
September 30, 1990	\$453,125	September 30, 1994	\$453,125

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provided, however, that if any of the above payment dates is not a Business Day, the applicable installment shall be due on the next preceding Business Day, and, provided, further, that the aggregate unpaid principal amount of this Note shall be paid in full no later than September 30, 1994, or, if such day is not a Business Day, the next preceding Business Day.

This Note is the Company's "Term Note" issued pursuant to and entitled to the benefits of the Loan Agreement, to which reference is hereby made for a more complete statement of the terms and conditions under which the Term Loan evidenced hereby was made and is to be repaid, including those under which this Note may be paid prior to its due date (without penalty or premium on the terms provided in Section 2.4 of the Loan Agreement) or its due date accelerated. This Note is guaranteed as provided in, and this Note and such guaranties are secured as described in, the Loan Agreement, to which reference is made for a description of such guaranties and such security.

All payments of principal and interest in respect of this Note shall be made in lawful money of the United States of America in immediately available funds to the Bank at the Bank's Corporate Service Center located at Bank of America National Trust and Savings Association, Corporate Service Center-1233, 1850 Gateway Boulevard, Concord, California 94520, Attention: Ms. Eva Peterson, or at such other place as shall be designated in writing for such purpose in accordance with the terms of the Loan Agreement. The Bank and any subsequent holder of this Note is authorized by the Company to endorse on the schedule attached hereto (and any continuation thereof) the amount of each repayment or prepayment of the Term Loan, received by the Payee; provided, however, that the failure to make any such endorsement shall not limit or otherwise affect the obligation of the Company hereunder with respect to payments of principal or interest on this Note.

The Loan Agreement and this Note shall be governed by, and construed and enforced in accordance with, the internal laws (and not the laws of conflicts) of the State of California.

The terms of this Note are subject to amendment only in the manner provided in the Loan Agreement.

No reference herein to the Loan Agreement and no provision of this Note or the Loan Agreement shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and interest on this Note at the place, at the respective times, and in the currency herein prescribed.

The Company promises to pay all costs and expenses, including reasonable attorneys' fees (including, without limitation, a reasonable estimate of the allocable costs of in-house legal counsel and staff), incurred in the collection and enforcement of this Note. The Company hereby consents to renewals and extensions of time at or after the maturity hereof, without notice, and hereby waives diligence, presentment, protest, demand and notice of every kind and, to the full extent permitted by law, the right to plead any statute of limitations as a defense to any demand hereunder.

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IN WITNESS WHEREOF, the Company has caused this Note to be executed, sealed and delivered by its duly authorized officer, as of the day and year and at the place first above written.

NO ITEM TO INSERT

By: _____ /s/ _____

Title: _____ /s/ _____

By: _____ /s/ _____

Title: _____ /s/ _____

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