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COOK COUNTY, ILLINOIS
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MORTGAGE
Between
NATIONAL WESTMINSTER BANK USA
and
HOSPITAL GROUP OF ILLINOIS, INC.
(HGI/HGD GUARANTY)

28.00

THIS MORTGAGE made this 29 day of December, 1987, by and between HOSPITAL GROUP OF ILLINOIS, INC., an Illinois corporation, having an address at 520 North Ridgeway, Chicago, Illinois 60624 (the "Mortgagor") and NATIONAL WESTMINSTER BANK USA, a national banking association, whose office is 175 Water Street, New York, New York 10038 (the "Mortgagee"),

WITNESSETH,

A. That Hospital Group of Delaware, Inc., a Delaware corporation ("HGD") and the Mortgagee have executed and delivered a certain Loan Agreement bearing even date between HGD and the Mortgagee (hereinafter, as it may from time to time be amended and supplemented, referred to as the "New Loan Agreement"), pursuant to which HGD has agreed to borrow from the Mortgagee and the Mortgagee has agreed to lend to HGD the aggregate principal sum of up to FOUR HUNDRED THOUSAND (\$400,000.00) DOLLARS, lawful money of the United States to be paid with interest thereon according to the New Loan Agreement (the terms, covenants and conditions of which New Loan Agreement are made a part hereof);

B. HGD has heretofore entered into a Bond Purchase and Loan Agreement dated as of December 18, 1985 hereinafter as it may to from time to time be amended, modified or supplemented, referred to as the "Bond Purchase Agreement"; the New Loan Agreement and the Bond Purchase Agreement are hereinafter referred to together as the "Loan Agreements") with New Castle County, Delaware (the "Issuer") and the Mortgagee, and, in connection therewith:

(a) the Mortgagee purchased the Issuer's Economic Development Revenue Bond (Hospital Group of Delaware, Inc. Project) Series 1985, in the principal amount of \$6,000,000 (the "Bond");

(b) the proceeds of the sale of the Bond were loaned by the Issuer to HGD and, as evidence thereof, HGD executed a promissory note dated December , 1985 (hereinafter, as it may from time to time be extended, renewed or modified, the "Bond Note") in the principal amount of \$6,000,000 payable to the Issuer; and

(c) the Issuer assigned to the Mortgagee, as security for its obligations under the Bond, the Bond Note and all of its right, title and interest under the Bond Purchase Agreement;

C. By the execution and delivery of a certain guaranty (hereinafter, as it may from time to time be amended and supplemented, referred to as the "Guaranty") of even date herewith pursuant to the New Loan Agreement, the Mortgagor, unconditionally guaranteed to the Mortgagee the due payment and performance of the indebtedness, liabilities and obligations of HGD under each of the Loan Agreements and the promissory notes and the other obligations issued pursuant thereof;

Prepared By:

& mail to:

Howard Peskoe
Howard Peskoe, Esq.
Cole & Deitz
175 Water Street
New York, New York 10038

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D. The Mortgagor shall derive benefits from the loans made by the Mortgagee to HGD under and pursuant to the New Loan Agreement;

E. It is a condition precedent to the obligation of the Mortgagee to make the loans provided for in the New Loan Agreement that the Mortgagor shall execute and deliver this mortgage; and

F. The Mortgagor is justly indebted to the Mortgagee pursuant to each of the Loan Agreements and the Guaranty in the sums due and outstanding pursuant to each of the Loan Agreements and conditioned for the payment of the said sums due and outstanding pursuant to each of the Loan Agreements, lawful money as aforesaid, and interest thereon payable in accordance with the terms of each of the Loan Agreements and the Guaranty (the obligations of the Mortgagor to pay said sums of money, said interest and all sums and interest thereon secured by this mortgage and all other obligations of the Mortgagor under each of the Loan Agreements and the Guaranty are sometimes hereinafter referred to, collectively, as the "Debt" or the "debt").

AND the Mortgagor does covenant and agree to pay unto the Mortgagee, the Debt as mentioned above and expressed in the Loan Agreements and the Guaranty (the obligations of the Mortgagor pursuant to each of the Loan Agreements and the Guaranty being hereinafter sometimes referred to, collectively, as the "bond").

NOW THIS INDENTURE WITNESSETH, that the Mortgagor, for better securing the payment of the Debt, and the performance by Mortgagor of the terms, covenants and conditions contained herein, in the bond and in any other documents and agreements given to secure payment of the bond according to the true intent and meaning thereof, and also for and in consideration of one dollar to the Mortgagee in hand paid by the said Mortgagee at or before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has mortgaged, warranted, granted, bargained, sold, aliened, released, conveyed and confirmed, and by these presents does mortgage, warrant, grant, bargain, sell, alien, release, convey and confirm unto the said Mortgagee, forever, and grants the Mortgagee a security interest in

ALL of the tract or parcel of land and premises, hereinafter particularly described, situate, lying in the City of Chicago, County of Cook and State of Illinois, as more particularly described on Schedule A hereto made a part hereof and incorporated herein by reference (the "Mortgaged Property");

TOGETHER with all singular the buildings, improvements, ways, woods, water, watercourses, rights, liberties, privileges, hereditaments and appurtenances to the same belonging or in anywise appertaining; and the reversion and reversions, remainder and remainders, all leases, lettings and licenses of the Mortgaged Property or any part thereof now or hereafter entered into and all right, title and interest of the Mortgagor thereunder, including, without limitation, cash and securities deposited thereunder and the right to receive and collect the rents, issues and profits thereof, and of every part and parcel thereof;

TOGETHER with all proceeds of and any unearned premiums on any insurance policies covering the Mortgaged Property including, without limitation, the right to receive and apply the proceeds of any insurance, judgments or settlements made in lieu thereof, for damage to the Mortgaged Property;

TOGETHER with all the estate, right, title, interest, use, possession, property, claim and demand whatsoever, of the said Mortgagor both in law and in equity, of, in and to the Mortgaged Property and every part and parcel thereof, with the appurtenances thereto;

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TOGETHER with all the right, title and interest of the Mortgagor, if any, in and to the land in the bed of the streets or highways abutting the premises above described to the center line thereof (collectively, the "premises");

TOGETHER with the appurtenances and all the present and future estate and rights of the Mortgagor in and to the premises, all easements and rights of way now or hereafter used in connection with the premises, all improvements, buildings and structures, and replacements therefor and additions thereto, now or at any time hereafter erected, installed or placed upon, in or under the premises and all fixtures and articles of personal property now or hereafter attached to or used in connection with the premises, all of which are hereby included in this mortgage;

TOGETHER with any and all awards heretofore made and hereafter to be made by any municipal, state or federal authorities to the present and all subsequent owners of the premises including any awards for any changes of grade of streets affecting the premises, which awards are hereby assigned to the Mortgagee and the Mortgagee and legal representatives, successors and assigns of the Mortgagee (at its or their option) hereby are irrevocably authorized and empowered to collect and receive the proceeds of any such awards from the authorities making the same and to give proper receipts and acquittances therefor in any of their names or in the name of the Mortgagor, and to apply the same toward the payment of the amount owing on account of this mortgage and the bond, although this mortgage and the bond then may not be due and payable; the Mortgagor hereby irrevocably appoints the Mortgagee and its officers and employees the attorney in fact of the Mortgagor, coupled with an interest, to settle, compromise and receive any such award or awards and to endorse any instruments with respect thereto and the Mortgagor, for the Mortgagor, and the legal representatives, heirs, executors, administrators, successors and assigns of the Mortgagor, hereby covenants and agrees with the Mortgagee and the legal representatives, successors and assigns of the Mortgagee, upon request by the holder of this mortgage, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning the aforesaid awards to the holder of this mortgage, free, clear and discharged of any and all encumbrances of any kind or nature whatsoever.

AND IT IS HEREBY EXPRESSLY AGREED that should there occur an Event of Default as defined in either of the Loan Agreements or should there occur any default by the Mortgagor in the performance of any other term, covenant or condition herein contained, the Debt (or so much thereof as shall then be outstanding), shall, at the option of the Mortgagee, become and be due and payable immediately thereafter, although the period limited for the payment thereof may not then have expired, anything herein contained to the contrary notwithstanding.

And the Mortgagor further covenants with the Mortgagee that:

1. The Mortgagor will pay the indebtedness as hereinbefore provided.

2. [Intentionally Omitted]

3. No building, improvement or structure on the premises or portion of any such building, improvement or structure and none of the fixtures or personal property (except if replaced with similar property of similar or greater value) covered by this mortgage shall be removed, altered (except for non-structural alterations conducted in the ordinary course of business) or demolished without the written consent of the Mortgagee in each instance.

4. The Debt shall become due at the option of the Mortgagee: after the occurrence of an Event of Default as defined in either of the Loan Agreements; or after default in the payment of any tax, water rate or assessment for fifteen (15) days after

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notice and demand except if Mortgagor contests such tax, water rate or assessment in accordance with paragraph 6(b) hereof; or after default after notice and demand either in assigning and delivering the policies insuring the buildings against loss as hereinafter provided for or in reimbursing the Mortgagee for premiums paid on such insurance, as hereinafter provided for; or after default upon request in furnishing a statement of the amount due on the mortgage and whether any offsets or defenses exist against the mortgage debt, as hereinafter provided for; or upon the failure of the Mortgagor to perform or comply with any other covenant, agreement or condition of this mortgage, the bond or any other agreement between the Mortgagor and the Mortgagee in accordance with the terms hereof and thereof.

5. The holder of this mortgage, in any action to foreclose it, shall be entitled, without regard to the adequacy of any security for the Debt secured hereby and without notice, to the appointment of a receiver and notice is hereby expressly waived.

6. (a) The Mortgagor will pay when due all liens of any kind, taxes, assessments, water rates, and other governmental or municipal charges, fines or impositions relating to the premises and the Mortgagor will promptly deliver official receipts therefor to the Mortgagee, upon the request of Mortgagee. In default thereof the Mortgagee may pay the same, but without obligation to do so and all sums paid by the Mortgagee shall be paid with interest at the Post-Default Rate as defined and set forth in the New Loan Agreement (the "Post-Default Rate") by the Mortgagor, and until paid by the Mortgagor such sums with interest shall be added to and secured by the lien of this mortgage.

(b) The Mortgagor shall have the right to contest by appropriate administrative, legal or equitable proceeding, diligently prosecuted, in good faith, in the name of Mortgagor, or the Mortgagee if required by law, at the sole cost and expense of the Mortgagor the validity, application or amount of any tax, water rate or assessment and to postpone the payment thereof until the final determination of such proceeding, if

(i) by the terms of the laws or regulations imposing such tax, water rate or assessment, the payment thereof may be postponed pending the prosecution of such proceeding, and

(ii) the Mortgagor will post a bond, letter of credit or other security reasonably satisfactory to the Mortgagee, covering, without limitation, the amounts of such tax, water rate, assessment, any penalties or interest accrued thereon pending such proceeding and all administrative or court costs of such proceeding.

The Mortgagee will execute and deliver any appropriate documents necessary or proper to prosecute such proceedings, at the cost and expense of the Mortgagor.

7. The Mortgagor within six (6) days upon request in person or within fifteen (15) days upon request by mail will furnish a written statement, duly acknowledged, of the amount due on this mortgage and whether any offsets and defenses exist against the mortgage debt.

8. Notice and demand or request shall be in writing and shall be sent in the manner required by the New Loan Agreement.

9. The Mortgagor represents and warrants the title to the premises, and represents and warrants that this mortgage is and will be maintained as a valid lien on the premises and upon the buildings, structures and improvements thereon.

10. In case of a sale in foreclosure, the premises, or so much thereof as may be affected by this mortgage, may be sold in one parcel.

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11. The Debt shall become due, at the option of the holder of this mortgage: after default, for thirty (30) days after written notice and demand, in the payment of any installment of any assessment for local improvements heretofore or hereafter made which is then due and payable or if such assessment is or may become payable in installments, such installment is then due and payable, and which has affected, now affects or hereafter may affect the premises; or after failure for thirty (30) days after notice and demand to exhibit to the holder of this mortgage receipted bills for any tax, water rate or assessment herein referred to; or upon the actual or threatened material alteration, demolition or removal of any building, structure or improvement erected or to be erected upon the premises; or upon any default after applicable notice and grace in keeping the buildings on the premises insured as required by paragraph 18 or if the Mortgagor does or permits to be done anything that may in any way materially impair the lien of this mortgage or impair the value of the premises or any building, structure or improvement thereon, or weaken or materially diminish the security intended to be given under and by virtue of this mortgage.

12. In the event of the passage after the date of this mortgage of any law of the State of Illinois deducting from the value of land for the purposes of taxation any lien thereon, or changing in any way the laws for the taxation of mortgages or debts secured by mortgage for state or local purposes, or the manner of the collection of any such taxes so as to affect this mortgage, the holder of this mortgage and of the debt which it secures shall have the right to give thirty (30) days written notice to the owner of the premises requiring the payment of the mortgage debt, and if such notice be given, the said debt shall become due, payable and collectible at the expiration of said thirty (30) days.

13. If any action or proceeding be commenced, whether adversary or not (including an action to foreclose this mortgage or to collect the debt secured thereby), to which action or proceeding the holder of this mortgage is made a party, or in which it becomes necessary to defend or uphold the lien of this mortgage, all sums paid by the holder of this mortgage for the expense of any litigation to prosecute or defend the rights and lien created by this mortgage (including reasonable counsel fees and expenses) shall be paid by the Mortgagor, together with the interest thereon at the rate of interest equal to the Post-Default Rate but in no event more than the highest rate permitted under the applicable usury law, and any such sum and the interest thereon shall be a lien on the premises prior to any right or title to, interest in or claim upon the premises attaching or accruing subsequent to the lien of this mortgage, and shall be deemed to be secured by this mortgage and evidenced by the bond. In any action or proceeding to foreclose this mortgage, or to recover or collect the debt secured hereby, the provisions of law respecting the recovery of costs, disbursements and allowances shall also be applicable.

14. The Debt shall become due at the option of the Mortgagee if the buildings on the premises are not maintained in reasonably good repair, or upon the failure of any owner of the premises to comply with the requirements of any governmental department claiming jurisdiction within three (3) months after an order making such requirement has been issued by said department, or upon the failure of any owner of the premises or any person holding under said owner as tenant, lessee, or otherwise to comply with all statutes, orders, requirements or decrees relating to the premises by any federal, state or municipal authority. The Mortgagee shall have the right to make any such repairs and comply with any such requirements. The cost thereof shall be a lien on the premises and secured by this mortgage prior to any claim or lien accruing or attaching subsequent to this mortgage, shall be evidenced by the bond and shall be payable on demand with interest at the Post-Default Rate, but in no event more than the highest rate permitted under the applicable usury law.

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15. The Debt shall immediately become due at the option of the Mortgagee if the Mortgagor shall attempt further to assign the rents of the premises without first obtaining the written consent of the Mortgagee to such assignment or shall mortgage, convey or grant a lien subordinate to this mortgage on the premises, buildings, structures, improvements, fixtures or personally subject to the lien hereof. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions.

16. Nothing herein or in the bond, and none of the terms, covenants or conditions hereof or thereof shall impose or shall be deemed to impose upon the Mortgagor an obligation to make any payment, pay any interest or late charges in excess of, or do any act or take any action, or forebear from doing any act or taking any action, in violation of any statute, rule, ordinance or regulation in effect and effective as of the date of such payment, act, action or forbearance. In no event shall the Mortgagor be required to make any such illegal or impermissible payment or to take or do any such illegal or impermissible act or forebear from so doing or so taking nor shall any such failure so to pay or act or such forbearance be deemed a default hereunder. The terms, covenants and conditions hereof or of the bond requiring any such illegal or impermissible payment, act, action or forbearance on the part of the Mortgagor to be made or taken are deemed amended, modified or altered in such a manner as to bring all and each of them into conformity with the applicable statutes, rules, ordinances or regulations in respect of the Mortgagor and the Mortgagor hereby covenants and agrees to abide by, conform to and comply with any and all such terms, covenants and conditions as so amended, modified or altered.

17. In compliance with any applicable law in the State of Illinois which is similar to Section 13 of the Lien Law of the State of New York, the Mortgagor will receive the advances secured by this mortgage and will hold the right to receive such advances as a trust fund to be applied first for the purpose of paying the cost of improvements to the premises and the Mortgagor will apply the same first to the payment of the cost of improvements to the premises before using any part of the total of the same for any other purpose.

18. The Mortgagor will, until the money secured by the mortgage shall be fully paid and satisfied, keep the buildings erected on the premises and the fixtures and articles of personal property hereby mortgaged insured against loss or damage by reason of the following: fire, including full extended coverage endorsements, and such other hazards, casualties and contingencies including flood as may be required by the Mortgagee in an amount to be approved by the Mortgagee not exceeding in the aggregate one hundred per centum of their full insurable value so that the Mortgagor will not be deemed a co-insurer under any such policy and with a company or companies and in a form or forms to be approved by the Mortgagee, and will assign and deliver the policy or policies of such insurance to the Mortgagee, its successors or assigns, loss under which policy or policies shall have been made payable to the Mortgagee, its successors or assigns, as its interest may appear, in such manner and form that it and they shall at all times approve, and until the full payment of said moneys, the Mortgagee shall have and hold the said policy or policies as collateral and further security for the payment of said moneys; and in default of so doing, the Mortgagee or its successors or assigns may place such insurance from time to time in an amount in the aggregate not exceeding one hundred per centum of the full insurable value of said buildings erected on the premises for the purpose aforesaid, and pay the premium or premiums therefor, and the Mortgagor will pay to the Mortgagee, its successors or assigns such premium or premiums so paid with interest at the Post-Default Rate, but in no event more than the highest rate permitted under the applicable usury law, from time of payment by Mortgagee, on demand, and the same shall be deemed to be secured by the mortgage prior to any claim or lien accruing or attaching subsequent hereto, and shall be

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collectible thereupon and thereby in like manner as the principal, and in default of such payment by the Mortgagor or of assignment and delivery of policies made payable as aforesaid, the whole of the principal sum and interest secured by the mortgage shall, at the option of the Mortgagee, its successors or assigns, immediately become due and payable. Should the holder of the mortgage by reason of such insurance receive any sum or sums of money for such damage, such amount may be retained and applied by the holder of the mortgage toward payment of the sum secured by mortgage, or the same may be paid over either wholly or in part to the Mortgagor or to the heirs, successors or assigns of the Mortgagor for the repair of said buildings or for the erection of new buildings in their place, or for any other purpose or object satisfactory to the holder of the mortgage, and if the Mortgagee receive and retain insurance money for such damage to the premises, the lien of mortgage shall be affected only by a reduction of the amount of said lien by the amount of such insurance money received and retained by the Mortgagee and applied toward payment of the obligations secured hereby. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every additional right and remedy now or hereafter afforded by law.

19. The rents, issues and profits of the premises are hereby transferred and assigned to the Mortgagee as further security for the payment of this mortgage, and the Mortgagee shall have the right to enter upon the premises for the purpose of collecting the same and to let and operate the premises or any part thereof and to apply the rents, issues and profits, either in whole or in part, as the Mortgagee elects, to the payment of all charges and expenses of the premises or in reduction of any part of the principal or interest due or to become due under the bond. This assignment and grant shall continue in effect until said mortgage is paid. The Mortgagee hereby waives the right to enter upon the premises for the purpose of collecting said rents, issues and profits, and the Mortgagor shall have a license to collect and receive said rents, issues and profits until default hereunder, but such license of the Mortgagor may be revoked by the Mortgagee upon any default. In the event of any default hereunder, the Mortgagor will pay monthly in advance to the Mortgagee or to any receiver appointed to collect said rents, issues and profits the fair and reasonable rental value for the use and occupation of the premises, or of such part thereof as may be in the possession of the Mortgagor, and upon default in such payments the Mortgagor will vacate and surrender the possession of the premises to the Mortgagee or such receiver. Neither the Mortgagor nor any tenant of the premises, or buildings or structures or any part of either shall have the right or power, as against the holder of this mortgage without his (or its) consent to cancel, abridge or otherwise modify tenancies, subtenancies, leases or subleases now or hereafter in effect in respect of all or any part of such premises, buildings or structures or to accept or make, as the case may be, prepayments of installments of rent to become due thereunder.

20. Nothing herein contained shall be construed as depriving the Mortgagee of any right or advantage available under any applicable law of the State of Illinois in which the premises are located, but all covenants herein differing therefrom shall be construed as conferring additional and not substitute rights and advantages.

21. In addition to the bond, this mortgage is intended to secure and provide for the payment and performance of any and all obligations now due and owing or which may hereafter be or become due or owing by the Mortgagor to the Mortgagee, and it is stipulated that the maximum amount secured by this mortgage at execution or which under any contingency may be secured thereby at any time in the future shall not exceed the principal amount hereof that is \$400,000.00, plus interest and other amounts which Mortgagee may advance for taxes, insurance premiums and other items in accordance with the terms of this mortgage. The obligation of the Mortgagee to make further or future advances or

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re-advances shall be in accordance with the New Loan Agreement. Re-advances may be made under the provisions thereof to the present or any future owner of the premises.

22. The Mortgagor covenants and agrees not to execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the premises on the basis of race, sex, religion, national origin, color or creed. Upon any violation of this undertaking the Mortgagee may, at its option, declare the unpaid balance of the debt secured hereby immediately due and payable.

23. The Mortgagor agrees to furnish the Mortgagee with a complete financial and operating statement of the Mortgagor, of each tenant affiliated with or owned in whole or part by the Mortgagor or any guarantor, and of each guarantor of the bond, such statement to be in such form and content, and delivered to the Mortgagee at such times as specified in the New Loan Agreement. The Mortgagee shall have the right to inspect the books and records of the Mortgagor at reasonable times.

24. This mortgage may not be changed or modified orally, but only by an agreement in writing and signed by the party against whom enforcement of any waiver, change, modification or discharge is sought. The Mortgagor acknowledges delivery to it, without charge therefor, of a copy hereof and of the bond. If the Mortgagor herein is a corporation, then the Mortgagor represents that the execution of this mortgage has been duly authorized by the Board of Directors of the Mortgagor and this mortgage is made in the regular and ordinary course of business.

25. This mortgage also is intended to be a security agreement under the Uniform Commercial Code and the Mortgagee shall be entitled to all the rights and remedies of a Secured Party under said Uniform Commercial Code in addition to all of its rights and remedies hereunder or under other applicable law and agreement with the Mortgagor. The Mortgagee is hereby authorized to sign and file one or more financing statements covering all or any part of the property within this mortgage on behalf of the Mortgagor and at the expense of the Mortgagor.

26. Should Mortgagor, without the consent in writing of Mortgagee, voluntarily sell, transfer, or convey its interest in the premises or any part thereof or if by operation of law, the premises are transferred or pledged, then the Mortgagee may, at its option, declare all sums secured hereby immediately due and payable. Consent to one such transaction shall not be deemed to be a waiver of the right to require such consent to further or successive transactions.

27. The whole of said principal sum and interest shall immediately become due at the option of the Mortgagee if a receiver or trustee shall be appointed in respect of the premises or the fixtures or articles of personal property hereby mortgaged, or if the Mortgagor or any guarantor of all or any portion of said principal sum or interest shall call a meeting of creditors, or if a petition in bankruptcy shall be filed against the Mortgagor or any such guarantor or a receiver or trustee shall be appointed in respect of all or any substantial portion of the property of the Mortgagor or any such guarantor, which filing or appointment is not dismissed or discharged within sixty (60) days or if the Mortgagor or any such guarantor shall file a petition in bankruptcy or for reorganization or an arrangement under any of the provisions of the Bankruptcy Code or of any other law of the United States or of any state thereof, or if the Mortgagor or any such guarantor shall make an assignment for the benefit of creditors, or if the Mortgagor or any such guarantor, shall be adjudged insolvent or bankrupt by any court, or if the Mortgagee, in good faith, shall be dissatisfied with the financial condition of the Mortgagor or any such guarantor or shall deem itself insecure.

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28. Upon the occurrence of any default hereunder, the bond and all other sums secured hereby shall bear interest at the Post-Default Rate, but in no event more than the highest rate permitted by law in respect of the Mortgagor.

29. All remedies provided in this mortgage are distinct and cumulative to any other right or remedy under this mortgage, the bond, any guarantee of the indebtedness secured hereby or any other agreement between the Mortgagor and/or the Mortgagee and/or others, if any, executed simultaneously or in connection herewith, or afforded by law or equity, and may be exercised concurrently, independently or successively. Wherever in this mortgage the prior consent of the Mortgagee is required, the consent of the Mortgagee given as to one such transaction shall not be deemed to be a waiver of the right to require such consent to future or successive transactions. Any such consents shall be in writing.

30. Any forbearance by the Mortgagee in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by the Mortgagee shall not be a waiver of the Mortgagee's right to accelerate the maturity of the Debt secured hereby.

31. If more than one person joins in the execution of this mortgage, and if any be of the female sex, the relative words herein shall be read as if written in the plural, or in the feminine gender, as the case may be.

32. The covenants, agreements and options herein contained shall bind and inure to the benefit of the heirs, distributees, executors, administrators, successors and assigns of the parties hereto.

33. The Mortgagee shall also be entitled in any action to foreclose this mortgage for the appointment of a receiver as provided above in Paragraph 5 without regard to the solvency or insolvency of any person or entity obligated for the payment of the bond. The receiver shall, in addition, be entitled to take possession of the premises from the owner, tenants and/or occupants of the whole or any part thereof and to collect and receive the rents and profits and the value of the use and occupation of the premises, or any part thereof from the then owner, tenants and/or occupants thereof for the benefit of the Mortgagee.

34. At least twenty (20) days prior to the expiration of each policy required to be provided by the Mortgagor pursuant to the provisions of Paragraph 18 of this mortgage, Mortgagor shall deliver renewal policies to the Mortgagee with appropriate evidence of payment of premium therefor.

35. In the event of a foreclosure of this mortgage or the succession by the holder of this mortgage to the interests of Mortgagor hereunder, the purchaser of the premises or such successor shall succeed to all rights of Mortgagor, including any right to proceeds of insurance and to unearned premiums, and in and to all policies or certificates of insurance assigned and delivered to the Mortgagee pursuant to Paragraph 18 of the mortgage.

36. The obligation of this mortgage and of the bond shall continue until the Debt is paid in full notwithstanding any action or actions or partial foreclosure which may be brought to recover any amount or amounts for installments of principal, interest, taxes, assessments, water rates or insurance premiums due and payable under the provisions of this mortgage.

37. The Mortgagor will not enter into any agreement for the taking of the premises, or any part thereof, with any person or entity authorized to acquire the same by condemnation or eminent domain, without the prior written consent of the Mortgagee.

38. Mortgagee may be the purchaser of the whole or any part of the premises or of any interest therein at any sale of the premises whether pursuant to foreclosure or power of sale or otherwise hereunder and may apply upon the purchase price any sum the payment of which is secured by this mortgage. Mortgagee, upon any such purchase, shall acquire good title to the properties so purchased free of the lien of this mortgage and free of all equities and rights of redemption in Mortgagor.

39. Mortgagor shall give Mortgagee prompt written notice of any damage or destruction by fire or casualty occurring on the premises, as well as of any condemnation or eminent domain proceedings affecting the same.

40. If and to the extent permitted by applicable law, Mortgagor hereby waives the right to a trial by jury, the right to claim an offset and the right to assert a counterclaim in any action or proceeding in which the Mortgagor and Mortgagee are parties brought by the Mortgagee to enforce its rights hereunder.

41. Notwithstanding any taking by any public or quasi-public authority through eminent domain or otherwise, Mortgagor shall continue to pay the Debt at the time and in the manner provided for in the bond and in this mortgage and the Debt shall not be reduced until any award or payment therefor shall have been actually received and applied by Mortgagee to the discharge of the Debt. Mortgagee may apply any such award or payment to the discharge of the Debt whether or not then due and payable in such priority and proportions as Mortgagee in its discretion shall deem proper. If the premises are sold, through foreclosure or otherwise, prior to the receipt by Mortgagee of such award or payment, Mortgagee shall have the right, whether or not a deficiency judgment on the bond shall have been sought, recovered or denied, to receive such award or payment, or a portion thereof sufficient to pay the Debt, whichever is less. Mortgagor shall file, and prosecute its claim or claims for any such award or payment in good faith and with due diligence and cause the same to be collected and paid over to Mortgagee. Mortgagor irrevocably authorizes and empowers Mortgagee, in the name of Mortgagor or otherwise to collect any such award or payment and file and prosecute such claim or claims, and although it is hereby expressly agreed that the same shall not be necessary in any event, Mortgagor shall, upon demand of Mortgagee, make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning any such award or payment to Mortgagee, free and clear of any encumbrances of any kind or nature whatsoever.

42. Mortgagor will not claim or demand or be entitled to any credit or credits on account of the Debt for any part of the taxes assessed against the premises or any part thereof and no deduction shall otherwise be made or claimed from the taxable value of the premises, or any part thereof, by reason of this mortgage or the Debt.

43. Any assignee of this mortgage and the bond shall take the same free and clear of all offsets and counterclaims of any nature whatsoever which Mortgagor may have against any assignor of this mortgage and the bond and no such offset, counterclaim or defense shall be interposed or asserted by Mortgagor in any action or proceeding brought by any such assignee upon this mortgage and/or the bond and any such right to interpose or assert any such offset, counterclaim or defense in any such action or proceeding is hereby expressly waived by Mortgagor.

44. If at any time the United States of America, any state thereof or any governmental subdivision of any such state, shall require revenue or other stamps to be affixed to the bond or this mortgage, Mortgagor will pay for the same, with interest and penalties thereon, if any.

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45. Mortgagee and its agents shall have the right to enter and inspect the premises at all reasonable times upon reasonable notice.

46. Mortgagor shall not be relieved of the Mortgagor's obligation to pay the Debt at the time and in the manner provided for in the bond and this mortgage by reason of (i) failure of Mortgagee to comply with any request of Mortgagor to take any action to foreclose this mortgage or otherwise enforce any of the provisions hereof or of the bond or any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt or any portion thereof, (ii) the release, regardless of consideration, of the whole or any part of the premises or any other security for the Debt, or (iii) the extension or modification of this mortgage or any other mortgage, instrument or document evidencing, securing or guaranteeing payment of the Debt or any portion thereof, without first having obtained the consent of Mortgagor, and in the latter event, Mortgagor shall continue to be obligated to pay the Debt at the time in the manner provided in the bond and this Mortgage, as so extended or modified, unless expressly released and discharged by Mortgagee. Regardless of consideration, and without the necessity for any notice to or consent by the holder of any subordinate lien, encumbrance, right, title or interest in or to the premises, Mortgagee may release any person at any time liable for the payment of the Debt or any portion thereof or any part of the security held for the Debt and may extend the time of payment or otherwise modify the terms of the bond and/or this mortgage, including, without limitation, a modification of the interest rate payable on the principal balance of the bond, without in any manner impairing or affecting this mortgage or the lien thereof or the priority of this mortgage, as so extended and modified, as security for the Debt over any such subordinate lien, encumbrance, right, title and interest. Mortgagee may resort for the payment of the Debt to any security held by Mortgagee in such order and manner as Mortgagee, in its discretion, may elect. Mortgagee shall not be limited exclusively to the rights and remedies herein stated but shall be entitled to every additional right and remedy now or hereafter afforded by law.

47. If Mortgagor consists of more than one person, the obligations and liabilities of each such person hereunder shall be joint and several.

48. Mortgagee shall have the right from time to time to take action to recover any sum or sums which constitute a part of the Debt as the same become due, without regard to whether or not the balance of the Debt shall be due, and without prejudice to the right to Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by Mortgagor existing at the time such earlier action was commenced.

49. Mortgagor waives and releases any right to have the premises marshalled and waives and releases any right or equity of redemption of the premises.

50. After written notice to Mortgagor and Mortgagor's failure to act, Mortgagee shall have the right to appear in and defend any action or proceeding brought with respect to the premises and to bring any action or proceeding, in the name and on behalf of Mortgagor, which Mortgagee, in its reasonable discretion, believes should be brought to protect its interest in the premises or after Mortgagor's failure to so appear or defend. Mortgagee may take such action by attorneys selected by Mortgagee. Mortgagor shall pay all expenses in connection therewith on demand, including reasonable attorneys' fees and disbursements.

51. If any term, covenant or condition of this Mortgage shall be held to be invalid, illegal or unenforceable in any respect, this mortgage shall be construed without such provision.

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52. This mortgage may be executed in any number of duplicate originals and each such duplicate original shall be deemed to constitute but one and the same instrument.

53. If Mortgagor shall well and truly pay to Mortgagee the Debt at the time and in the manner provided in the bond and this mortgage and shall well and truly abide by and comply with each and every covenant and condition set forth in this mortgage and in the bond, then these presents and the estate hereby granted shall cease, determine and be void, and Mortgagee shall reconvey the estate hereby granted to Mortgagor and shall deliver to Mortgagor the appropriate documents to satisfy, release and discharge this mortgage, all at the cost and expense of Mortgagor.

54. [Intentionally Omitted]

55. This mortgage is subject to all of the provisions of each of the Loan Agreements, including without limitation, the provisions thereof entitling the Mortgagee to declare the Debt secured hereby immediately due and payable upon the occurrence of an Event of Default thereunder, and all of such provisions are incorporated herein with the same force and effect as if they were fully set forth at length herein. In the event of any inconsistency between the provisions of this mortgage and the provisions of either of the Loan Agreements, the provisions of such Loan Agreement shall control.

56. [Intentionally Omitted]

57. If the Mortgagor receives any notice of (i) the occurrence of any event involving the use, spill, discharge or clean-up of any hazardous or toxic substance or waste or any oil or pesticide on or about any property of the Mortgagor or caused by the Mortgagor (a "Hazardous Discharge") or (ii) any complaint, order, citation or notice with regard to air emissions, water discharges, noise emissions or any other environmental, health or safety matter affecting the Mortgagor or the premises or its operations (an "Environmental Complaint") from any person or entity, including without limitation the Department of Environmental Protection of the State in which the premises is located ("DEP"), the United States Environmental Protection Agency ("EPA"), the United States Army Corps of Engineers (the "Corps"), or the United States Coast Guard (the "Coast Guard"), then the Mortgagor will give written notice of same to the Mortgagee within ten (10) days of receipt thereof and shall promptly comply with its obligations under law with regard to such Environmental Discharge or Environmental Complaint.

58. If Mortgagor shall fail or refuse to comply with or cure such Environmental Discharge or Environmental Complaint as required by law, regulation, order or this mortgage, without limitation of the Mortgagee's rights under this mortgage, the Mortgagee shall have the right, but not the obligation, to exercise any of its rights to cure as provided in this mortgage or to enter onto the premises or to take such other actions as it deems necessary or advisable to cleanup, remove, resolve or minimize the impact of, or otherwise deal with, any such Hazardous Discharge or Environmental Complaint upon its receipt of any notice from any person or entity, including without limitation the DEP, the EPA, the Corps or the Coast Guard, asserting the happening of a Hazardous Discharge or Environmental Complaint, which, if true, could result in any order, suit or other action against the Mortgagor and/or any part which, in the sole opinion of the Mortgagee, could jeopardize its collateral security under this mortgage. All reasonable costs and expenses incurred and paid by the Mortgagee in the exercise of any such rights shall be secured by this mortgage and all other collateral granted to the Mortgagee by the Mortgagor and shall be payable by the Mortgagor upon demand.

59. In addition to those events of default previously specified in this mortgage, the occurrence of any of the

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following events shall constitute an event of default under this mortgage, entitling the Mortgagee to all rights and remedies provided therefor:

(A) If the Mortgagee shall fail to comply with provisions of Paragraph 58 hereof, or

(B) If the DEP, EPA or any other state or federal agency asserts or creates a lien upon any or all of the premises by reason of the occurrence of a Hazardous Discharge or Environmental Complaint or otherwise; or

(C) If the DEP, EPA or any other state or federal agency asserts a claim against the Mortgagor, the premises or the Mortgagee for damages or cleanup costs related to a hazardous Discharge or Environmental Complaint; provided, however, such claim shall not constitute a default if, within five (5) business days of the Mortgagor's receipt of written notice of same:

(1) The Mortgagor can prove to the Mortgagee's reasonable satisfaction that the Mortgagor has commenced and is diligently pursuing either: (a) cure or correction of the event which constitutes the basis for the claim, and is continuing diligently to pursue such cure or correction to completion, or, (b) proceedings for injunction, a restraining order or other appropriate emergency relief preventing such agency or agencies from asserting such claim, which relief is granted within twenty (20) days of the date of application and the injunction, order or emergency relief is not thereafter dissolved or reversed on appeal; and

(2) In either of the foregoing events, the Mortgagor has posted a bond, letter of credit or other security satisfactory in form, substance and amount to both the Mortgagee, in its reasonable discretion, and the agency or entity asserting the claim to secure the proper and complete cure or correction of the event which constitutes the basis for the claim.

60. The Mortgagor hereby agrees to defend, indemnify and hold the Mortgagee harmless from and against any and all claims, losses, liabilities, damages and expenses (including, without limitation, cleanup costs and reasonable attorney's fees, including those arising by reason of any of the aforesaid or an action against the Mortgagor under this indemnity, arising directly or indirectly from, out of, or by reason of any Hazardous Discharge, Environmental Complaint, or any environmental, health or safety law governing the Mortgagor, its operations or the premises.

61. (A) The Mortgagor has duly complied, and will continue to comply in all material respects (should same become appropriate), with the provisions of the federal Occupational Safety and Health Act and all environmental, health and safety laws governing them, their business or the premises, and all rules and regulations thereunder and all similar state and local laws, rules and regulations. There are not now any outstanding citations, notices or orders of violation or non-compliance issued to the Mortgagor or relating to its business assets, property or leaseholds under any such laws, rules or regulations, nor any conditions which, if known by the proper authorities, could result in any of the foregoing.

(B) The Mortgagor has, and will continue to have, all necessary federal, state and local licenses, certificates and permits relating to the Mortgagor and its facilities, business, premises and leaseholds and they are in material compliance with all applicable federal, state and local laws, rules and regulations related to air emissions, water discharges, noise emissions, solid or liquid storage and disposal, hazardous or toxic waste or substances and other environmental, health and safety matters.

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(C) Upon written request, the Mortgagor shall provide to the Mortgagee the following information pertaining to all operations conducted in or on the premises:

(1) Copies of all permits obtained from any local, state or federal agency.

(2) Material safety data sheets for all chemicals in use at, manufactured at, imported to or stored at the premises.

(3) Copies of all materials filed with Federal Occupational Safety and Health Agency under the OSHA Hazard Communication Standard and all materials filed with the Department of Health, Department of Environmental Protection or any other federal, state or local agency or entity.

(D) Maps, diagrams and site plans showing the location of all storage areas and storage tanks for hazardous substances and wastes and the location of processes using any of them, including details as to the amounts stored or used.

(E) A description of the operations of its processes.

(F) Any other information which the Mortgagee may reasonably require.

62. Paragraphs 57 through 61 of this mortgage shall survive the expiration or sooner termination of this mortgage.

63. This mortgage is made, executed and delivered by Mortgagor contemporaneously with three other mortgages encumbering the premises, one mortgage in the principal amount of \$8,100,000.00 (the "Term Loan Mortgage"), one mortgage in the principal amount of \$9,574,993.98 (the "HGI/HGNJ Guaranty Mortgage") and the third mortgage in the principal amount of \$1,600,000.00 (the "Working Capital Loan Mortgage") which are intended to be recorded in the County Clerk's Office contemporaneously with the recording of this mortgage. This mortgage shall be a fourth lien on the premises, subject and subordinate to the Term Loan Mortgage as a first lien, the HGI/HGNJ Guaranty Mortgage as a second lien and the Working Capital Loan Mortgage as a third lien. Any default by Mortgagor or event of default under the Term Loan Mortgage, the HGI/HGNJ Guaranty Mortgage or the Working Capital Loan Mortgage shall constitute a default under this mortgage and shall entitle Mortgagee to demand immediate payment of the entire debt secured by this mortgage.

IN WITNESS WHEREOF this mortgage has been duly executed by the Mortgagor.

HOSPITAL GROUP OF ILLINOIS, INC.

By: Alfred P. Short SR. V.P.
Name:
Title:

Attest: [Signature]
Secretary

Corporate Seal

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SCHEDULE A TO MORTGAGE
BETWEEN
NATIONAL WESTMINSTER BANK USA
AND
HOSPITAL GROUP OF ILLINOIS, INC.

Parcel 1

LOTS 6, 7, 8, 9, 11, 12 AND 20 TO 30 AND LOTS 40 AND 41 IN BLOCK 12 IN DIVEN'S SUBDIVISION OF BLOCKS 12 AND 14 IN MORTON'S SUBDIVISION OF THE EAST 1/2 OF THE NORTH WEST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 1 TO 9, INCLUSIVE, IN HOGUE'S SUBDIVISION OF LOTS 13 TO 19 INCLUSIVE IN DIVEN'S SUBDIVISION OF BLOCK 12 IN W. J. MORTON'S SUBDIVISION OF THE EAST 1/2 OF THE NORTH WEST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

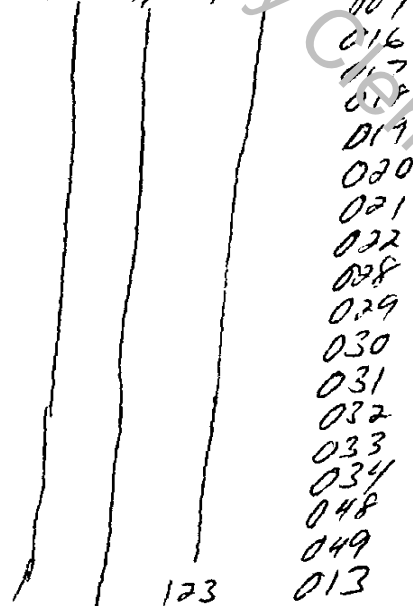
LOT 41 IN BLOCK 11 IN JULIAN AND BROWN'S SUBDIVISION OF LOTS 1, 2 AND 3 IN BLOCK 11 AND LOTS 1, 2 AND 3 IN BLOCK 13 IN MORTON'S SUBDIVISION OF THE EAST 1/2 OF THE NORTH WEST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 4:

LOT 10 IN BLOCK 12 IN DIVEN'S SUBDIVISION OF BLOCKS 12 AND 14 IN MORTON'S SUBDIVISION OF THE EAST 1/2 OF THE NORTH WEST 1/4 OF SECTION 11, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN

16-11-123-006



Address: 520 N. Ridgeway, Chicago

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STATE OF New York ss.:
COUNTY OF New York

I, Stefan Bickel, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Alfred Sabatti, Sr. Vice President of Hospitel Group of Illinois, Inc. and John Macdonald, Asst. Secretary of said Company, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Asst. President and Asst. Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Company, for the uses and purposes therein set forth; and the said Asst. Secretary then and there acknowledged that said Asst. Secretary, as custodian of the corporate seal of said Company, did affix the corporate seal of said Company, did affix the corporate seal of said Company to said instrument as said Asst. Secretary's own free and voluntary act and as the free and voluntary act of said Company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 29 day of December, A.D. 1987.

Stefan Bickel
Notary Public

STEFAN BICKEL
NOTARY PUBLIC, State of New York
No. 41-4884192
Qualified in Queens County
Cert. filed in Queens County
Commission Expires Jan. 26, 1989

Notary of Cook County Clerk's Office

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