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This indenture is made this <u>John</u> day of <u>December</u>, 1990, between <u>Hilmon S. Sorey</u>, <u>Jr.</u>, not individually but as <u>Chapter 11</u> Trustee in the bankruptcy of the <u>Estate</u> of <u>Mile Square Health</u> <u>Center. Inc.</u>, with offices located at 175 N. Franklin, Chicago, <u>Fillinois 60606</u>, and the <u>City of Chicago</u>, an Illinois municipal <u>Fillinois 60606</u>, and a home rule unit of local government with offices <u>Giordial at City Hall</u>, 121 N. Lasalle St., Chicago, Illinois.

Whereas, the U.S. Public Health Service (hereinafter referred of to as "PHS") alleges that Mile Square Health Center, Inc. (hereinafter referred to as "Mile Square") operated a community health center program using grant funds provided by PHS from 1972; to 1986, under the program authorized by 42 U.S.C. 254c.

Whereas, PHS alleges that in 1974, Mile Square obtained title to the property located at 2045 W. Washington, Chicago, Illinoise (hereinafter referred to as the "Facility") by assuming a \$2.5 million mortgage encumbering that property. Included in the PHS grant funding were grant awards dated June 23 and June 30, 1975 and February 8, 1977 that provided respectively \$348,000, \$472,000, and \$1,835,432 in grant funds to be used solely to retire that mortgage debt on the Facility. Mile Square disbursed those grant funds as prescribed by those grants to retire the assumed mortgage indebtedness.

Whereas, PHS alleges that on or about April 8, 1977, Mile Square satisfied the balance due of that assumed mortgage debt on the Facility through the use of federal grant funds.

Whereas, on July 29, 1988, Mile Square filed a voluntary petition for relief under Chapter 11, Title 11 United States Code, in the Northern District of Illinois, Eastern Division, Judge John Squires, Bankruptcy Judge presiding, which case is entitled, In Re: Mile Square Health Center, Inc., No. 88 B 11538 (Bankr. N.D. Ill.) (hereinafter referred to as the "Mile Square case").

Whereas, on August 9, 1989, pursuant to 11 U.S.C. 2194, the Bankruptcy Court presiding in the Mile Square case entered an order directing that the United States Trustee appoint a chapter 11 trustee.

Whereas, on August 9, 1989, the United States Trustee appointed Hilmon S. Sorey, Jr., Chapter 11 Trustee (hereinafter referred to as the "Trustee").

Whereas, on August 15, 1989, before undertaking his official duties, Hilmon S. Sorey, Jr., accepted the appointment as Trustee in the Mile Square case by timely filing in that case a bond in favor of the United States conditioned on the faithful performance

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of his duties as Trustee.

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Whereas, Mile Square and the Trustee ceased delivering health care services at the Facility in October, 1989.

Whereas, neither Mile Square nor the Trustee intend or are willing to operate the Facility for the originally authorized purpose for which it was acquired under the community health program.

Whereas, PHS alleges that the federal real property disposition regulations (45 C.F.R. 74.134) govern the disposition of the Jacility.

Whereas, on December 13, 1989, the United States filed in the Mile Square case a Motion to Compel the Trustee's Abandonment of the Facility, pursuant to 11 U.S.C. 554.

Whereas, in order to resolve, as between themselves, the disposition of the Pacility and the United States' Motion to Compel the Trustee's Abandonment of Property in the Mile Square case, the United States and the Trustee (hereinafter referred to hereinafter as the "Parties") have entered into a settlement agreement, as subsequently amended (hereinafter referred to as the "Amended Settlement Agreement"), which was subject to the approval of the Bankruptcy Court presiding in the Mile Square case.

Whereas, on November 15, 1990 the Trustee filed with the Bankruptcy Court presiding in the Mile Square case a motion for hearing upon proper notice for an order authorizing the Trustee to accept the Parties' Amended Settlement Agreement. The Amended Settlement Agreement provided, in part, that

- 1. PHS reserved its discretionary authority to determine whether any application for the use of the Facility is approvable and whether to approve it under federal law.
- 2. For the purposes of the Amended Settlement Agreement, the Parties agree that the term "market value" referred to at 45 C.F.R. 74.134(c) shall, in the case of the Facility, be \$1,100,000.
- 3. For purposes of 45 C.F.R. 74.142 the federal and non-federal shares of the value of the Facility are calculated to be 68.3 % and 31.7 %, respectively.
- 4. The amount of the non-federal share calculated for purposes of 45 C.F.R. 74.134(c)(3) shall be \$348,700.
- 5. The federal regulations contained at 45 C.F.R. 74.134 govern the interpretation, implementation and enforcement of the Amended Settlement Agreement.

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Whereas, on November 21, 1990, the Bankruptcy Court authorized the Trustee to enter into the Parties' Amended Settlement Agreement.

Whereas, on December 12, 1990, the Trustee accepted Parties' Amended Settlement Agreement.

Whereas, PHS alleges that PHS circulated a public solicitation for applicants having a responsible plan to use the Facility for the delivery of health care services to the medically underserved population in that locality.

Whereas, PHS alleges that the proposal jointly submitted by the City of Chicago and the Board of Trustees of the University of Illinois was the only acceptable application for use of the Facility that was submitted in response to PHS' public solicitation.

Whereas, PHS alleges that it has identified an eligible transferee pursuant to federal regulation and has notified the Trustee in writing that FHS requested the transfer of all right, title and interest of Mile Square and Mile Square's Estate in the Facility to the City of Chicago.

Whereas, on November 21, 1390, the Trustee filed with the Bankruptcy Court a motion for hearing upon proper notice, which included notice by publication as approved by that Court, to all parties in interest, unknown owners, and record and non-record claimants, seeking an order authorizing the Trustee to transfer to the City of Chicago all right, title and interest of Mile Square and its Estate in the Facility free and clear of all liens, encumbrances, interests or claims, except for the interest of the United States of America for the benefit of the Department of Health and Human Services, Public Health Service.

Whereas, on November 23, 1990, notice of the hearing on Trustee's motion for an order authorizing the Trustee to transfer to the City of Chicago all right, title and interest of Mile Square was served by mail upon Mile Square, its creditors, parties in interest in the Mile Square case, parties requesting notice in the Mile Square case, and record claimants, and further, on December 1, 1990, notice of that hearing was provided unknown owners and non-record claimants of the Facility by publishing said approved notice on December 1, 1990, in the Chicago Tribune real estate section.

Whereas, on December 12, 1990, the Bankruptcy Court ordered, adjudged and decreed that all of Mile Square and its Estate's right, title and interest to the Facility described in the said Order and hereinafter described, be transferred by the Trustee free and clear of all liens, encumbrances, interests or claims,



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except for the interest of the United States of America for the benefit of the Department of Health and Human Services, Public Health Service, to the City of Chicago.

Whereas, the Estate of Mile Square has received \$348,700, the amount of the non-federal share of the Facility, as determined pursuant to 45 C.F.R. 74.134(c)(3) and 45 C.F.R. 74.142 and the Parties' Amended Settlement Agreement.

NOW THEREFORE. WITNESSETH:

That the Trustee, by virtue of the powers and authorities vested in him by virtue of the orders, judgments and/or decrees aforesaid, and by the statutes and laws of the United States of America, in order to carry into effect the disposition of the Facility, as directed by PHS, and pursuant to federal regulation, the Parties' Amended Settlement Agreement, and the Order of the Bankruptcy Court dated December 12, 1990, does hereby quit claim, release and convey unto the City of Chicago, and to the extent permitted by federal law, its distributees, successors and assigns, all right, title and interest of the Estate of Mile Square Health Center, Inc., in and to the following described real property:

LOTS 12 TO 20, BOTH INCLUSIVE, IN WILCOX SUBDIVISION OF THE NORTH 1/2 OF BLOCK 60 IN CANAL TRUSTRES' SUBDIVISION OF SECTION 7, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS: 2045 W. WASHINGTON, CHICAGO, ILLINOIS ("FACILITY")

PIN: 17-07-327-002-0000; 17-07-327-003-0000; 17-07-327-004-0000; 17-07-327-005-0000; 17-07-327-041-0000; 17-07-327-042-0000; 17-07-327-043-0000; 17-07-327-046-0000;

17-07-327-047-0000; and 17-07-327-048-0000;

together with all of the Estate's right, title and interest in and to all improvements and appurtenances thereunto pertaining, and pursuant to the orders of the Bankruptcy Court authorizing this conveyance free and clear of all liens and encumbrances, including all rights of redemption, subject only to the interest of the



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United States of America for the benefit of the Department of Health and Human Services, Public Health Service.

In Witness Whereof, Trustee has duly executed this deed the day and year first above written.

STATE OF ILLINOIS)

SS

COUNTY OF COOK

The undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that Hilmon S. Sorey, Jr., personally known to me to be the same person whose name is subscribed to the foregoing instrument as Chapter 11 Trustee, appeared before me this day in person and acknowledged that he signed, sealed, and delivered the said instrument as Chapter 11 A Trustee, for the use and purposes therein set forth.

GIVEN under my hand and seal this & day of

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Notary Public,

Hilmon S. Sorey, Jr., not individually but as Chapter 11 Trustee of the Estate of Mile Square Health Center, Inc., Debtor

This instrument prepared by:

Joel R. Nathan Assistant U.S. Attorney United States Attorney's Office 219 S. Dearborn Street Chicago, Illinois 60604

After recording, please return to:

Mark Lenz Assistant Corporation Counsel City of Chicago 121 N LaSalle St., Room 511 Chicago, Illinois 60602 DEPT-09 MISC

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COOK COUNTY RECORDER



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