

UNOFFICIAL COPY 94730403

COOK COUNTY, ILLINOIS  
CLERK OF RECORD

1994 AUG 17 PM 2:28

94730403

MORTGAGE AND SECURITY AGREEMENT

NORTHSIDE OPERATING CO.,  
Mortgagor

AND

LASALLE NATIONAL BANK,  
as Master Trustee, Mortgagee

Dated as of July 1, 1994

This instrument was prepared by  
and upon recording return to:

Chapman and Cutler  
111 West Monroe Street  
Chicago, Illinois 60603  
Attention: Lynn Leland Coe

**BOX 333-CTI**

7474410 21

9/18

94730403

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

## MORTGAGE AND SECURITY AGREEMENT

### TABLE OF CONTENTS

(This Table of Contents is not a part of this Mortgage and is only for convenience of reference)

Parties .....	1
Preliminary Statement .....	1
Granting Clauses .....	1
ARTICLE I      DEFINITIONS .....	3
ARTICLE II     REPRESENTATIONS AND WARRANTIES .....	3
ARTICLE III    GENERAL COVENANTS AND AGREEMENTS .....	5
Section 3.1.    Master Indenture Covenants .....	5
Section 3.2.    Further Assurances: After-Acquired Property .....	5
Section 3.3.    Payment of Principal, Premium, if any, and Interest .....	6
Section 3.4.    Maintenance of Lien .....	6
Section 3.5.    Maintenance, Repair, Restoration Liens .....	6
Section 3.6.    Priority of Lien .....	6
Section 3.7.    Proceeds of Insurance and Condemnation .....	7
Section 3.8.    Hazardous Waste .....	7
Section 3.9.    Stamp Tax .....	7
Section 3.10.   Effect of Extensions of Time and Amendments .....	7
Section 3.11.   Master Trustee's Performance of the Corporation's Obligations .....	7
Section 3.12.   Inspection of Mortgaged Property and Records .....	8
Section 3.13.   Assignment of Leases, Rents, and Contracts .....	8
Section 3.14.   Corporation's Right of Possession .....	10
ARTICLE IV     DEFAULTS AND REMEDIES THEREFOR .....	10
Section 4.1.    Event of Default Defined .....	10
Section 4.2.    Remedies .....	10
Section 4.3.    Possession by the Master Trustee .....	11
Section 4.4.    Foreclosure .....	11
Section 4.5.    Uniform Commercial Code .....	11
Section 4.6.    Receiver .....	11
Section 4.7.    Application of Moneys .....	12

91730403

# UNOFFICIAL COPY

Section 4.8.	Insurance Upon Foreclosure.....	12
Section 4.9.	Rights Cumulative.....	12
Section 4.10.	Successors and Assigns.....	13
Section 4.11.	Waiver of Rights.....	13
ARTICLE V	SUPPLEMENTS AND AMENDMENTS TO THIS MORTGAGE; RELEASE AND SUBSTITUTION OF PROPERTY.....	13
Section 5.1.	Supplements and Amendments to this Mortgage.....	13
Section 5.2.	Conditions for Release.....	13
Section 5.3.	Disposition of Substituted Property.....	16
ARTICLE VI	MISCELLANEOUS PROVISIONS.....	17
Section 6.1.	Mortgage for Benefit of Parties Hereto.....	17
Section 6.2.	Severability.....	17
Section 6.3.	Notices.....	17
Section 6.4.	Successors and Assigns.....	18
Section 6.5.	Counterparts.....	18
Section 6.6.	Governing Law.....	18
Section 6.7.	Immunity of Officers, Employees and Members of the Authority and the Corporation.....	18
Section 6.8.	Conflicts with Master Indenture.....	18
EXHIBIT A	Description of Land	
EXHIBIT B	Form of Obligations	

94730103

# UNOFFICIAL COPY

This is a MORTGAGE AND SECURITY AGREEMENT dated as of July 1, 1994 (herein referred to sometimes as "this Mortgage"), between NORTHSIDE OPERATING CO. d/b/a EDGEWATER HOSPITAL AND MEDICAL CENTER, INC., an Illinois not for profit corporation (the "Corporation"), as mortgagor, and LASALLE NATIONAL BANK, a national banking association duly established and existing under and by virtue of the laws of the United States of America, as Master Trustee under the Master Indenture hereinafter referred to (the "Master Trustee"), as mortgagee.

## PRELIMINARY STATEMENT

The Corporation, has entered into a Master Trust Indenture (the "Original Master Indenture") dated as of July 1, 1994, as supplemented and amended by the First Supplemental Master Indenture (the "First Supplemental Master Indenture" and, together with the Original Master Indenture, the "Master Indenture"), both with the Master Trustee. Pursuant to the Master Indenture, the Members of the Obligated Group and any future Members are authorized to issue Direct Note Obligations ("Obligations") from time to time. As of July 1, 1994, there is outstanding a \$41,000,000 in Direct Note Obligation in the form attached as *Exhibit B* hereto. The Corporation wishes to mortgage and assign to the Master Trustee the property described herein as security for the Obligation and the performance of the obligations of the Members of the Obligated Group under the Master Indenture and the Corporation hereunder; provided, however, that the maximum aggregate principal amount of Obligations that may be secured hereby is expressly limited to \$500,000,000.

## GRANTING CLAUSES

In consideration of the premises, the acceptance of the Obligations by the purchasers thereof and for other good and valuable consideration the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of, premium, if any, and interest payable on the Obligations and the performance of all the obligations of the Obligated Group contained in the Master Indenture and of the Corporation contained herein, the Corporation has executed and delivered this Mortgage and by these presents does assign, grant, mortgage, warrant, convey, transfer, pledge, set over and confirm unto the Master Trustee and its successors and assigns forever, and grant a security interest thereunto in, all the Corporation's right, title and interest in, to and under any and all of the following described property (herein called the "Mortgaged Property"):

## DIVISION I

The real estate described in Exhibit A hereto, together with the entire interest (whether now owned or hereafter acquired) in and to said real estate and the entire interest of the Corporation in and to all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed or placed upon such real estate, including all right, title and interest of the Corporation in and to all building materials, building equipment and fixtures of every kind and nature whatsoever on said real estate or in any

94730103

# UNOFFICIAL COPY

building, structure or improvement now standing or hereafter constructed on said real estate, and the reversion or reversions, remainder or remainders, in and to said real estate, and together with the entire interest of the Corporation in and to all and singular the tenements, hereditaments, easements, rights of way, rights, privileges and appurtenances to said real estate, belonging or in any way appertaining thereto, and all right, title and interest of the Corporation in, to and under any streets, ways or alleys adjoining said real estate or any part thereof including all bridges thereover and tunnels thereunder, including without limitation all claims or demands whatsoever of the Corporation either in law or in equity, in possession or expectancy of, in and to said real estate, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described, which is now owned or hereafter acquired by the Corporation and affixed to or attached to or placed on said real estate, shall be deemed to be, and shall be considered as, fixtures and appurtenances to said real estate of the Corporation, and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well a Security Agreement under the provisions of the Uniform Commercial Code for the purpose of creating hereby a security interest in said property, which is hereby granted by Mortgagor as debtor to Mortgagee as secured party, securing the indebtedness hereby secured. The addresses of Mortgagor (debtor) and Mortgagee (secured party) appear in Section 6.3, together with all rents, income, issues and profits therefrom: and

## DIVISION II

All tangible personal property, including without limitation, all fixtures, machinery, equipment, inventory and other goods (all as defined in the Illinois Uniform Commercial Code) of any nature whatsoever except motor vehicles and all proceeds or products from the sale or other disposition of any thereof and all replacements, substitutions or additions of any kind whatsoever for the above; and

## DIVISION III

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, conveyed, pledged, assigned or transferred as and for additional security hereunder by the Corporation or by anyone on its behalf to the Master Trustee;

SUBJECT, HOWEVER, to Permitted Encumbrances, as defined in the Master Indenture;

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

# UNOFFICIAL COPY

The Corporation and the Master Trustee hereby further covenant and agree as follows:

## ARTICLE I

### DEFINITIONS

The terms used in this Mortgage, unless the context requires otherwise, shall have the same meanings as set forth in the Master Indenture. All accounting terms not otherwise defined in the Master Indenture or herein shall have the meanings assigned to them in accordance with generally accepted accounting principles.

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

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

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

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

(b) The execution and delivery of this Mortgage, the consummation of the transactions contemplated hereby, and the fulfillment of the terms and conditions hereof do not and will not conflict with or result in a breach of any of the terms or conditions of any corporate restriction or of any agreement or instrument to which the Corporation is now a party, and do not and will not constitute a default under any of the foregoing, or result in the creation or imposition of any Lien, charge or encumbrance of any nature upon any of the Property of the Corporation except for Permitted Encumbrances. The Corporation has good and marketable fee simple title to the Land and good and marketable title to its other Property and is the lawful owner and is now lawfully seized and possessed of the Mortgaged Property (other than that not presently in existence), in all cases free and clear of all Liens, security interests, charges and encumbrances whatsoever except Permitted Encumbrances. The

# UNOFFICIAL COPY

Corporation has full power and lawful authority to mortgage and grant a security interest in the Mortgaged Property to the Master Trustee and will preserve, warrant and defend the same unto the Master Trustee against the claims of all persons and parties. This Mortgage constitutes a direct and valid first mortgage lien upon the Land, including the fixtures, subject only to Permitted Encumbrances. The easements, rights-of-way, liens, encumbrances, covenants, conditions, restrictions, exceptions, minor defects, irregularities of title and encroachments on adjoining real estate, if any, now existing with respect to the Land do not and will not materially adversely affect the value of the Facilities, the Project or the Property currently affected thereby, or materially impair or materially interfere with the operation and usefulness thereof for the purpose for which they were acquired or are held by the Corporation.

(c) The Corporation represents and warrants that, except in accordance with applicable law, neither the Corporation nor any lessee nor, to the best of its knowledge, any previous owner, tenant, occupant or user of the Mortgaged Property used, generated, released, discharged, stored or disposed of, or is using, generating, releasing, discharging, storing or disposing of, any Hazardous Materials (as hereinafter defined) on, under or in the Mortgaged Property, or transported, or is transporting, any Hazardous Materials to or from the Mortgaged Property and that no Hazardous Materials are present on the Mortgaged Property, except in accordance with applicable law. The Corporation shall not, except in accordance with applicable law, cause, suffer to exist or permit the presence, use, generation, release, discharge, storage or disposal of any Hazardous Materials on, under or in, or the transportation of any Hazardous Materials to or from, the Mortgaged Property. The term "Hazardous Materials" shall include any substance, material, or waste which is (a) petroleum; (b) asbestos; (c) polychlorinated biphenyls; (d) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. §1251 et seq. (33 U.S.C. §1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. §1371); (e) defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq. (42 U.S.C. §6903); (f) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601 et seq. (42 U.S.C. §9601); (g) subject to regulations as a hazardous chemical substance pursuant to Section 6 of the Toxic Substances Control Act, 15 U.S.C. §2601 et seq. (15 U.S.C. §2605); or (h) any pollutant, contaminant, hazardous, dangerous or toxic chemicals, materials or substances within the meaning of any other applicable federal, state or local law, regulation, ordinance or requirement relating to or imposing liability or standards of conduct concerning any such hazardous, toxic or dangerous waste, substance or material, all as now in effect or hereafter from time to time adopted or amended.

(d) The Corporation represents and warrants that the Mortgaged Property and its intended use substantially and materially comply with applicable laws, governmental regulations and the terms of any enforcement action commenced by any federal, State, regional or local governmental agency, including, without limitation, all applicable federal, State and local laws pertaining to air and water quality,

94730403

# UNOFFICIAL COPY

hazardous waste, waste disposal and other environmental matters, including, but not limited to, the Clean Air, Federal Water Pollution Control, Solid Waste Disposal, Resource Conservation and Recovery and Comprehensive Environmental Response, Compensation and Liability Acts, and the rules, regulations and ordinances of all applicable federal, State and local agencies and bureaus.

## ARTICLE III

### GENERAL COVENANTS AND AGREEMENTS

*Section 3.1. Master Indenture Covenants.* Each and all of the representations, warranties, terms, provisions, restrictions, covenants and agreements set forth in the Master indenture, and in each and every supplement thereto or amendment thereof which may at any time or from time to time be executed and delivered by the parties thereto or their successors and assigns, are incorporated herein by reference to the same extent as though each and all of said representations, warranties, terms, provisions, restrictions, covenants and agreements were fully set out herein and as though any amendment or supplement to the Master Indenture were fully set out in an amendment or supplement to this Mortgage; and the Corporation does hereby covenant and agree well and truly to abide by, perform and be governed and restricted by each and all of the matters provided for by the Master Indenture and so incorporated herein to the same extent and with the same force and effect as if each and all of said representations, warranties, terms, provisions, restrictions, covenants and agreements so incorporated hereby by reference were set out and repeated herein at length. Without limiting the foregoing, the Corporation covenants and agrees to pay all taxes, assessments and governmental charges or levies imposed upon this Mortgage, the Series 1994 Obligation, any Additional Obligations or any other indebtedness secured hereby and such amounts shall constitute additional indebtedness secured hereby.

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

(b) All right, title and interest of the Corporation in and to all improvements, betterments, renewals, substitutions and replacements of the Mortgaged Property or any part thereof, hereafter constructed or acquired by the Corporation, immediately upon such construction or acquisition, and without any further mortgaging, conveyance or assignment, shall become and be part of the Mortgaged Property and shall be subject to the lien and security interest of this Mortgage as fully and completely and with the same effect as though now owned by the Corporation, but at any and all times the Corporation will execute and deliver to the Master Trustee and all such further assurances, mortgages, conveyances or assignments therefor and other instruments with respect thereto as the Master Trustee may

94720403



# UNOFFICIAL COPY

reasonably require for the purpose of expressly and specifically subjecting the same to the lien and security interest of this Mortgage.

*Section 3.3. Payment of Principal, Premium, if any, and Interest.* The Corporation will duly and punctually pay the principal of, premium, if any, and interest on the Series 1994 Obligation and any Additional Obligations secured hereby according to the terms thereof.

*Section 3.4. Maintenance of Lien; Recording.* (a) The Corporation will, at its expense, take all necessary action to maintain and preserve the lien and security interest of this Mortgage so long as the Series 1994 Obligation or any Additional Obligations are outstanding.

(b) The Corporation will, forthwith after the execution and delivery of this Mortgage and thereafter from time to time, cause this Mortgage and the Master Indenture (including any amendments thereto and supplements thereof) and any financing statements in respect thereof to be filed, registered and recorded in such manner and in such places as may be required by law in order to publish notice of and fully to perfect and protect the lien and security interest hereof upon, and the title of the Corporation to, the Mortgaged Property, and from time to time will perform or cause to be performed any other act as provided by law and will execute or cause to be executed any and all continuation statements and further instruments that may be requested by the Master Trustee for such publication, perfection and protection. Except to the extent it is exempt therefrom, the Corporation will pay or cause to be paid all filing, registration and recording fees, incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgement of such instruments of further assurance, and all federal and State fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage and such instruments of further assurance.

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

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

94720103

# UNOFFICIAL COPY

*Section 3.7. Proceeds of Insurance and Condemnation.* In case of loss covered by policies of insurance or receipt by the Corporation of any proceeds of an award or claim for damages arising from condemnation of any portion of the Mortgaged Property, the Master Trustee is hereby directed to apply such proceeds in accordance with the Sections 410 and 411 of the Master Indenture.

*Section 3.8. Hazardous Waste.* The Corporation hereby indemnifies the Master Trustee and agrees to hold the Master Trustee harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses, and claims of any and every kind whatsoever paid, incurred, or suffered by, or asserted against, the Master Trustee for, with respect to, or as a direct or indirect result of, the presence on or under or the escape, seepage, leakage, spillage, discharge, emission, discharging, or release from, the Mortgaged Property of any Hazardous Material (including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under the Acts referred to in paragraph (c) of Article II hereof, any other so-called "Superfund" or "Superlien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to or imposing liability or standards of conduct concerning, any Hazardous Material), regardless of whether or not caused by, or within the control of, the Corporation, unless resulting solely from the negligent acts of the Master Trustee.

*Section 3.9. Stamp Tax.* If, by the laws of the United States of America, or of any state or municipality having jurisdiction over the Corporation or the Mortgaged Property, any tax is used or becomes due in respect of the issuance of the Obligations, the Corporation shall pay such tax in the manner required by such law.

*Section 3.10. Effect of Extensions of Time and Amendments.* If the payment of the indebtedness hereby secured, or any part thereof, be extended or varied, or if any part of the security therefor be released, all persons now or at any time hereafter liable therefor, or interested in the Mortgaged Property, shall be held to assent to such extension, variation, or release; and their liability, and the lien, and all provisions hereof, shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by the Master Trustee, notwithstanding any such extension, variation, or release. Any person, firm, or corporation taking a junior mortgage or other lien upon the Mortgaged Property or any interest therein shall take the said lien subject to the rights of the Master Trustee to amend, modify, and supplement this Mortgage, the Obligations or the Loan Agreements and to extend the maturity of the indebtedness secured hereby, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

*Section 3.11. Master Trustee's Performance of the Corporation's Obligations.* Upon failure of the Corporation to make any payment or perform any act required hereunder, the Master Trustee, may, (subject to the Corporation's rights to contest pursuant to Section 406 of the Master Indenture) but shall not be required to, make any payment or perform any act herein required of the Corporation in any form and manner deemed expedient to the Master Trustee; and the Master Trustee may, but shall not be required to, make full or partial payments of principal or interest on any prior encumbrances and purchase, discharge,

94730403

# UNOFFICIAL COPY

compromise, or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Mortgaged Property or contest any tax or assessment, and may, but shall not be required to, complete construction, rehabilitation, furnishing, and equipping of the improvements upon the Mortgaged Property and rent, operate, and manage the Mortgaged Property and such improvements and pay operating costs and expenses, including without limitation management fees, of every kind and nature in connection therewith, so that the Mortgaged Property and improvements shall be operational and usable for their intended purposes. All moneys paid for any of the purposes herein authorized, and all expenses paid or incurred in connection therewith, including attorneys' fees and other moneys advanced by the Master Trustee to protect the Mortgaged Property and the lien hereof, or to complete construction, furnishing, and equipping or to rent, operate and manage the Mortgaged Property and such improvements or to pay any such operating costs and expenses thereof or to keep the Mortgaged Property and improvements operational and usable for its intended purpose, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice, and with interest thereon at the prime rate of the Master Trustee plus 3%. Inaction of the Master Trustee shall never be considered as a waiver of any right accruing to it on account of any default on the part of the Corporation. The Master Trustee, in making any payment hereby authorized (a) relating to taxes and assessments, may do so according to any bill, statement, or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien, or title or claim thereof; (b) for the purchase, discharge, compromise, or settlement of any other prior lien, may do so without injury as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, rehabilitation, furnishing or equipping of the improvements or the rental, operation, or management of the Mortgaged Property or the payment of operating costs and expenses thereof, the Master Trustee may do so in such amounts and to such persons as the Master Trustee may deem appropriate.

*Section 3.12. Inspection of Mortgaged Property and Records.* The Master Trustee shall have the right to inspect the Mortgaged Property, conduct tests thereon (including but not limited to soil borings) and all books, records and documents relating thereto at all reasonable times, and access thereto shall be permitted for that purpose.

*Section 3.13. Assignment of Leases, Rents, and Contracts.* The Corporation hereby bargains, sells, transfers, assigns, conveys, and delivers to the Master Trustee all of the Corporation's right, title, and interest in all rents, issues, and profits of the Mortgaged Property, as further security for the payment of the indebtedness secured hereby. This assignment is absolute and is effective immediately. Notwithstanding the foregoing, until a notice is sent to the Corporation in writing that an Event of Default or an event that with notice or passage of time or both might become an Event of Default has occurred under the terms and conditions of this Mortgage (a "Notice"), the Corporation may receive, collect and enjoy the rents, income, and profits accruing from the Mortgaged Property.

If any Event of Default or event that with notice or passage of time or both might become an Event of Default occurs hereunder, at its option, the Master Trustee may after service of a Notice, receive and collect all such rents, income, and profits as they become

94730403

# UNOFFICIAL COPY

due, from the Mortgaged Property and under any and all leases of all or any part of the Mortgaged Property. The Master Trustee shall thereafter continue to receive and collect all such rents, income, and profits, as long as such default(s) shall exist, and during the pendency of any foreclosure proceedings.

The Corporation hereby appoints the Master Trustee its true and lawful attorney, which appointment is irrevocable and coupled with an interest, with full power of substitution and with full power for the Master Trustee in its own name and capacity or in the name and capacity of the Corporation, from and after the service of a Notice, to demand, collect, receive, and give complete acquittance for any and all rents, income, and profits accruing from the Mortgaged Property, and at the Master Trustee's discretion to file any claim or take any other action or proceeding and make any settlement of any claims, either in its own name or in the name of the Corporation or otherwise, that the Corporation may deem necessary or desirable in order to collect and enforce the payment of the rents, income, and profits. Lessees of the Mortgaged Property are hereby expressly authorized and directed to pay any and all amounts due the Corporation pursuant to the leases to the Master Trustee or such nominee as the Master Trustee may designate in writing delivered to and received by such lessees who are expressly relieved of any and all duty, liability or obligation to the Corporation in respect of all payments so made.

From and after the service of a Notice, the Master Trustee is hereby vested with full power to use all measures, legal and equitable, it may deem necessary or proper to enforce this assignment and to collect the rents, income, and profits assigned hereunder, including the right of the Master Trustee or its designee to enter upon the Mortgaged Property, or any part thereof, with or without process of law, take possession (to the extent permitted by law) of all or any part of the Mortgaged Property and all personal property, fixtures, documents, books, records, papers, and accounts of the Corporation relating thereto, and exclude the Corporation and its agents and servants wholly therefrom. The Corporation hereby grants full power and authority to the Master Trustee to exercise all rights, privileges, and powers herein granted at any and all times after service of a Notice, without further notice to the Corporation, with full power to use and apply all of the rents and other income herein assigned to the payment of the costs of managing and operating the Mortgaged Property and of the indebtedness hereby secured. The Master Trustee shall be under no obligation to exercise or prosecute any of the rights or claims assigned to it hereunder or to perform or carry out any of the obligations of the lessor under any of the leases and does not assume any of the liabilities in connection with or arising or growing out of the covenants and agreements of the Corporation in the leases. This assignment shall not operate to place responsibility for the control, care, management, or repair of the Mortgaged Property, or parts thereof, upon the Master Trustee, nor shall it operate to make the Master Trustee liable for the performance of any of the terms and conditions of any of the leases, for any waste of the Mortgaged Property by any lessee under any of the leases or any other person, for any dangerous or defective condition of the Mortgaged Property, or for any negligence in the management, upkeep, repair or control of the Mortgaged Property resulting in loss, injury, or death to any lessee, licensee, employee, or stranger.

97730403

# UNOFFICIAL COPY

The assignment under this Section is given as a primary pledge and assignment of the rights described herein and such assignment shall not be deemed secondary to the security interest and mortgage of the Corporation in the Mortgaged Property. The Master Trustee shall have the right to exercise any rights under this Section before, together with, or after exercising any other rights under this Mortgage. Nothing herein shall be deemed to obligate the Master Trustee to perform or discharge any obligation, duty, or inability of the Corporation under this assignment, and the Corporation shall and does hereby indemnify and hold the Master Trustee harmless from any and all cost (including without limitation reasonable attorneys' fees and legal expenses), liability, loss, or damage which the Master Trustee may or might incur by reason of this assignment; and any and all such cost, liability, loss, or damage incurred by the Master Trustee, including reasonable attorneys' fees, incurred by the Master Trustee in the defense of any claims or demands therefor (whether successful or not), shall be so much additional indebtedness hereby secured, and the Corporation shall reimburse the Master Trustee therefor on demand, together with interest at the prime rate of the Master Trustee plus 3%.

*Section 3.14. Corporation's Right of Possession.* So long as the Corporation is in full compliance with the material terms and provisions of this Mortgage and the Obligated Group is in full compliance with the material terms and provisions of the Master Indenture, the Corporation shall be suffered and permitted to possess, use and enjoy the properties and appurtenances constituting the Mortgaged Property.

## ARTICLE IV

### DEFAULTS AND REMEDIES THEREFOR

*Section 4.1. Event of Default Defined.* The Corporation acknowledges and agrees that each and all of the terms and provisions of Article V of the Master Indenture have been and are incorporated into this Mortgage by reference to the same extent as though fully set out herein and that the term "Event of Default" wherever used in this Mortgage shall mean either an event of default as defined in Article V of the Master Indenture or with respect to any matter not covered by the Master Indenture, the failure of the Corporation to comply with any covenant, agreement or warranty contained in this Mortgage within 30 days after the Master Trustee shall have given written notice thereof to the Corporation.

*Section 4.2. Remedies.* When any Event of Default has occurred and is continuing, the Master Trustee may, to the extent permitted by law, exercise any one or more or all, and in any order, of the remedies set forth in this Mortgage or Article V of the Master Indenture, including without limitation the remedies provided therein with respect to real property; it being expressly understood that no remedy herein or in the Master Indenture conferred is intended to be exclusive of any other remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute.

# UNOFFICIAL COPY

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

*Section 4.4. Foreclosure.* When any Event of Default has occurred and is continuing, the Master Trustee shall have the right to foreclose the lien hereof for the indebtedness hereby secured or any part thereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness hereby secured in the decree of sale, all costs and expenses that may be paid or incurred by or on behalf of the Master Trustee for reasonable attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies and similar data and assurance with respect to title, as the Master Trustee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree, the true conditions of the title to or the value of the Mortgaged Property. All expenditures and expenses of the nature mentioned in this Section, and such other expenses and fees, plus interest thereon at the Master Trustee's announced prime rate per annum from time to time in effect plus 3% per annum, as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by the Master Trustee in any litigation or proceedings affecting this Mortgage, the Obligations, or the Mortgaged Property, including probate, bankruptcy, and appellate proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, shall be so much additional indebtedness hereby secured and shall be immediately due and payable by the Corporation.

*Section 4.5. Uniform Commercial Code.* The Master Trustee shall, with respect to any part of the Mortgaged Property constituting property of the type in respect of which realization on a lien or security interest granted therein is governed by the Uniform Commercial Code, have all the rights, options and remedies of a secured party under the Uniform Commercial Code, including without limitation, the right to the possession of any such property, or any part thereof, and the right to enter without legal process any premises where any such property may be found. Any requirement of said Code for reasonable notification shall be met by mailing written notice to the Corporation at its address below set forth at least 10 days prior to the sale or other event for which such notice is required. The expenses of retaking, selling, and otherwise disposing of said property, including reasonable attorney's fees and legal expenses incurred in connection therewith, shall constitute so much additional indebtedness hereby secured and shall be payable upon demand with interest at the interest rate applicable to the Obligations at the time the expense is incurred.

*Section 4.6. Receiver.* Upon the occurrence of an Event of Default, the Master Trustee shall be entitled to appoint a receiver of the Mortgaged Property. Such appointment may be made either before or after sale, without regard to solvency or insolvency of the Corporation at the time of application for such receiver, and without regard to the then

94730103

# UNOFFICIAL COPY

value of the Mortgaged Property or whether the same shall be then occupied as a homestead or not; and the Master Trustee hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues, and profits of the Mortgaged Property during the pendency of such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when the Corporation, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management, and operation of the Mortgaged Property during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the Mortgaged Property in his hands in payment in whole or in part of: (a) the indebtedness hereby secured or the indebtedness secured by a decree foreclosing this Mortgage, or any tax, special assessment, or other lien that may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or (b) the deficiency in case of a sale and deficiency.

*Section 4.7. Application of Moneys.* The proceeds of any right given or action taken under the provisions of this Article by the Master Trustee shall be distributed and applied as provided in Section 507 of the Master Indenture.

The Master Trustee shall have the right to become the purchaser at any sale made under or by virtue of this Mortgage and the Master Trustee so purchasing at any such sale shall have the right to be credited upon the amount of the bid made therefor by the Master Trustee with the amounts payable to the Master Trustee under Article V of the Master Indenture out of the net proceeds of such sale.

*Section 4.8. Insurance Upon Foreclosure.* In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in rebuilding or restoring the buildings or improvements as herein provided, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court in its decree may provide that the Master Trustee's clause attached to each of the casualty insurance policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said decree creditors. In the event of foreclosure sale, the Master Trustee is hereby authorized, without the consent of the Corporation, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as the Master Trustee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies without credit or allowance to the Corporation for prepaid premiums thereon.

*Section 4.9. Rights Cumulative.* Each right, power, and remedy herein conferred upon the Master Trustee is cumulative and in addition to every other right, power, or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power, and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient to the

# UNOFFICIAL COPY

Master Trustee and the exercise or the beginning of the exercise of one right, power, or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of the Master Trustee in the exercise of any right, power, or remedy accruing hereunder or arising otherwise shall impair any such right, power, or remedy, or be construed to be a waiver of any default or acquiescence therein.

*Section 4.10. Successors and Assigns.* This Mortgage and each and every covenant, agreement, and other provision hereof shall be binding upon the Corporation and its successors and assigns (including, without limitation, each and every record owner from time to time of the Mortgaged Property or any other person having an interest therein), and shall inure to the benefit of the Master Trustee and its successors and assigns.

*Section 4.11. Waiver of Rights.* To the extent that it lawfully may, the Corporation agrees that it will not at any time insist upon, or plead, or in any manner whatever claim or take any benefit or advantage of any applicable present or future stay, extension or moratorium law, which may effect observance or performance of the provisions of this Mortgage or the Obligations; nor claim, take or insist upon any benefit or advantage of any present or future law providing for the valuation or appraisal of the Mortgaged Property or any portion thereof prior to any sale or sales thereof which may be made under or by virtue of this Article IV; nor after any such sale or sales, claim or exercise any right, under any applicable present or future law or otherwise, to redeem the Mortgaged Property or any portion thereof so sold; and the Corporation to the extent that it lawfully may, expressly waives all benefit or advantage of any such laws; and covenants not to hinder, delay or impede the exercise of any right or remedy herein permitted to be exercised by the Trustees, but to suffer and permit the exercise of every such right or remedy as though no such law or laws were in effect. The Corporation for itself and all who may claim under it, waives, to the extent that it lawfully may, all right to have the Mortgaged Property and any other security for the Obligations or any thereof marshalled upon any foreclosure. To the extent permitted by law, the Corporation waives any right of redemption and any right of reinstatement under the Illinois Mortgage Foreclosure Law.

## ARTICLE V

### SUPPLEMENTS AND AMENDMENTS TO THIS MORTGAGE; RELEASE AND SUBSTITUTION OF PROPERTY

*Section 5.1. Supplements and Amendments to this Mortgage.* The Corporation, with the consent of the Master Trustee, may from time to time enter into such supplements and amendments to this Mortgage as to it may seem necessary or desirable to effectuate the purposes or intent hereof; provided, however, that no such amendment shall be effective if not adopted in accordance with the terms of the Master Indenture.

*Section 5.2. Conditions for Release.* So long as no Event of Default shall have occurred and be continuing under this Mortgage or under the Master Indenture, the Master

91730403



# UNOFFICIAL COPY

Trustee shall release, without the prior consent of any of the Obligation holders, any of the Mortgaged Property or other Property subject to the lien or security interest of this Mortgage:

(a) as long as the First Supplemental Master Indenture is in full force and effect, in accordance with the provisions of Section 417(B) of the Master Indenture; or

(b) when the First Supplemental Master Indenture is no longer in force and effect, (i) upon receipt of an Officer's Certificate of the Obligated Group Agent stating that such Property is fixtures or personal property other than cash, in the judgment of such Officer the sale, lease or other disposition of such property will not impair the soundness, efficiency or economic value of the remaining property subject to the Mortgage, that the fair market value of all property disposed of pursuant to this provision in the preceding twelve months including such proposed disposition does not exceed an amount equal to 5% of the value of the Obligated Group's Property, Plant and Equipment (calculated on the basis of the Book Value of such assets shown on the asset side of the balance sheet in the combined financial statements of the Obligated Group for the Fiscal Year next preceding the date of such disposition for which combined financial statements of the Obligated Group reported on by independent certified public accountants are available or, if the Obligated Group so elects, on the basis of Current Value) and if such Property is fixtures, that such Property has become obsolete or worn out or (ii) upon receipt by the Master Trustee of the following:

A. *Written Request of Corporation.* A Written Request of the Corporation for such release, describing the property to be released (referred to in this Article V as the "Released Property");

B. *Certificate of Corporation.* A certificate of the Corporation to the Master Trustee certifying:

1. The fair market value of the Released Property and of the property (referred to in this Article V as the "Substituted Property") other than cash to be substituted for the Released Property pursuant to the terms hereof;

2. The disposition to be made of the Released Property and the consideration (which may include cash) to be received for the Released Property and the fair market value of consideration (other than money);

3. That the disposition of the Released Property and the substitution therefor of the Substituted Property will not materially adversely affect the operations of the Corporation's health care Facilities or any other Property of the Corporation;

4. That the Substituted Property other than cash or investment securities is necessary or useful to the operation of the Corporation's health care Facilities;

94730103

# UNOFFICIAL COPY

5. That the cash or the fair market value of the Substituted Property together with cash, if any, to be received is at least equal to the fair market value of the Released Property;

6. That the execution and delivery of the release by the Master Trustee and the subjection of the Substituted Property to the lien of this Mortgage will not result in a default hereunder or under the Master Indenture; and

7. That all permits and authorizations of all federal, state and local governmental bodies and agencies have been granted or that no such permits or authorizations are required.

C. *Appraisal of Released Property.* An appraisal of the fair market value of the Released Property by a member of the American Institute of Real Estate Appraisers (an "MAI Appraiser") if the Released Property is real property, or by another expert acceptable to the Master Trustee if the Released Property is not real property;

D. *Appraisal of Substituted Property.* An appraisal of the fair market value of the Substituted Property by an MAI Appraiser if the Substituted Property is real property, or by another expert acceptable to the Master Trustee if the Substituted Property is not real property;

E. *Documents of Conveyance.* A supplement to this Mortgage and to the Master Indenture (if necessary) and other documents reasonably requested by, and in form satisfactory to, the Master Trustee necessary to subject the Substituted Property to the lien of this Mortgage and, if the Substituted Property is real property, an endorsement to any existing ALTA mortgage loan policy or an additional mortgagee's loan insurance policy, in either case insuring the Master Trustee and evidencing that the Substituted Property is subject to the lien of this Mortgage subject only to Permitted Encumbrances;

F. *Certificate of a Consultant.* If the fair market value of the Released Property when added to the fair market value of other Property released pursuant to the provisions of this Article V within the same twelve-month period is in excess of \$250,000, a certificate of a Consultant acceptable to the Master Trustee to the effect set forth in paragraph B (3) of this Section 5.2; and

G. *Opinion of Counsel.* A letter of opinion addressed to the Master Trustee from Independent Counsel who is satisfactory to the Master Trustee to the effect that:

1. The release of the Property requested by the Corporation is authorized hereunder;

94730303

# UNOFFICIAL COPY

2. The Substituted Property is subject to the lien of this Mortgage subject only to Permitted Encumbrances;

3. The execution and delivery of the requested release and the acceptance of the Substituted Property will not violate any provisions of this Mortgage or of the Master Indenture; all necessary action required to be taken by the Corporation and by the Master Trustee to effect the release of the Released Property and the conveyance of the Substituted Property have been taken;

4. The supplemental amendment hereto, the supplemental indenture to the Master Indenture, if required, and all other documents required to effect the release of the Released Property and substitution therefor of the Substituted Property have been duly authorized, executed and delivered and are binding upon the parties executing and delivering the same in accordance with their respective terms (subject to customary exceptions for laws affecting creditors' rights and the applicability of equitable principles); and

5. To the knowledge of such Independent Counsel all permits and authorizations of all federal, State and local governmental bodies and agencies have been granted, or that no such permits or authorizations are required.

*Section 5.3. Disposition of Substituted Property.* The Corporation agrees that (i) the Master Trustee shall invest any cash delivered to it as Substituted Property in Qualified Investments pursuant to oral direction promptly followed by a Written Request of the Corporation and any such cash and Qualified Investments shall be held by the Master Trustee in a separate trust account for the benefit and security of the outstanding Obligations; (ii) all income from Qualified Investments held in such trust account pursuant to this Section 5.3 shall be retained therein; (iii) funds from time to time on deposit with the Master Trustee in such trust account pursuant to this Section 5.3 shall be used to make up any deficiencies in the amount available to pay when due the principal, interest and redemption premium on any Obligations, and to the extent funds are used to make up such deficiencies, the Corporation will make payment directly to the Master Trustee for deposit in such trust account in the amount of any such deficiencies forthwith; (iv) upon compliance with the terms and provisions of Section 5.2 hereof within 3 years of the date of initial deposit in such trust account of moneys constituting Substituted Property, such moneys may be released to return for other Substituted Property; and (v) at the end of such 3 year period or upon Written Request of the Corporation and provided that no Event of Default shall have occurred and be continuing under the Master Indenture or this Mortgage, any funds held by the Master Trustee pursuant to this Section 5.3 shall be applied by the Master Trustee to redeem, prepay or purchase Obligations in accordance with Article III of the Master Indenture. Notwithstanding anything to the contrary, any moneys on deposit with the Master Trustee shall be invested in accordance with, and subject to the terms of, the Tax Exemption Agreement to the extent applicable.

94730403

# UNOFFICIAL COPY

## ARTICLE VI

### MISCELLANEOUS PROVISIONS

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

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

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

To the Authority:

Illinois Health Facilities Authority  
Suite 2188  
35 East Wacker Drive  
Chicago, Illinois 60601  
Attention: Executive Director

To the Corporation:

Northside Operating Co.  
5700 N. Ashland  
Chicago, Illinois 60660  
Attention: President

94720103

# UNOFFICIAL COPY

with a copy to:

Braddock Management, L.P.  
c/o Primus Management, Inc.  
One Eleven Sutter Street, Suite 2150  
San Francisco, California 94104

To the Master Trustee:

LaSalle National Bank  
135 South LaSalle Street  
Chicago, Illinois 60603  
Attention: Corporation Trust Department

*Section 6.4. Successors and Assigns.* Whenever in this Mortgage any of the parties hereto is named or referred to, the successors and assigns of such party shall be deemed to be included and all the covenants, promises and agreements in this Mortgage contained by or on behalf of the Corporation, or by or on behalf of the Master Trustee, shall bind and inure to the benefit of their respective successors and assigns, whether so expressed or not.

*Section 6.5. Counterparts.* This Mortgage is being executed in any number of counterparts, each of which is an original and all of which are identical. Each counterpart of this Mortgage is to be deemed an original hereof and all counterparts collectively are to be deemed but one instrument.

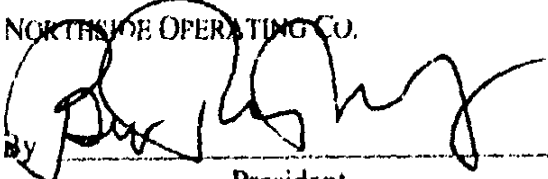
*Section 6.6. Governing Law.* It is the intention of the parties hereto that this Mortgage and the rights and obligations of the parties hereunder and the Obligations and the rights and obligations of the parties thereunder, shall be governed by and construed and enforced in accordance with, the laws of the State of Illinois.

*Section 6.7. Immunity of Officers, Employees and Members of the Authority and the Corporation.* No recourse shall be had for the payment of the principal of or premium or interest on any of the Obligations or for any claim based thereon or upon any representation, obligation, covenant or agreement in this Mortgage contained against any past, present or future officer, director, member, employee or agent of the Master Trustee or the Corporation, or, respectively, of any successor public or private corporation thereto, as such, either directly or through the Master Trustee, the Corporation, or respectively any successor public or private corporation thereto, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, employees, directors or agents, as such is hereby expressly waived and released as a condition of and consideration for the execution of this Mortgage and the issuance of the Obligations.

*Section 6.8. Conflicts with Master Indenture.* In the event any of the terms or provisions hereof conflict with the Master Indenture, the Master Indenture shall control.

# UNOFFICIAL COPY

IN WITNESS WHEREOF, the Corporation and the Master Trustee have caused this Mortgage to be executed in their respective corporate names and have caused their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

NORTHSIDE OPERATING CO.  
By  \_\_\_\_\_  
President

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer

LASALLE NATIONAL BANK, as Master  
Trustee

By \_\_\_\_\_

(SEAL)

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_

94730403

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

IN WITNESS WHEREOF, the Corporation and the Master Trustee have caused this Mortgage to be executed in their respective corporate names and have caused their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

NORTHSIDE OPERATING CO.

By \_\_\_\_\_  
President

(SEAL)

ATTEST:

*[Signature]*  
Secretary/Treasurer

LASALLE NATIONAL BANK, as Master  
Trustee

By \_\_\_\_\_  
\_\_\_\_\_

(SEAL)

ATTEST:

\_\_\_\_\_  
\_\_\_\_\_

94730103

# UNOFFICIAL COPY

IN WITNESS WHEREOF, the Corporation and the Master Trustee have caused this Mortgage to be executed in their respective corporate names and have caused their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

NORTHSIDE OPERATING CO.

By \_\_\_\_\_  
President

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary/Treasurer

LASALLE NATIONAL BANK, as Master  
Trustee

By \_\_\_\_\_  
Vice President

91730103

(SEAL)

ATTEST:

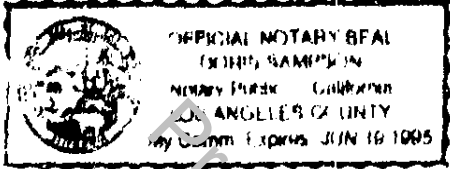
\_\_\_\_\_  
Assistant Secretary



# UNOFFICIAL COPY

STATE OF CALIFORNIA )  
COUNTY OF Los Angeles ) SS

The foregoing instrument was acknowledged before me this 12<sup>th</sup> day of August, 1994, by Bertram P. Rosenthal, the President, of NORTHSIDE OPERATING CO., an Illinois not for profit corporation, on behalf of the corporation.



[Signature]  
Notary Public

(SEAL)

My commission expires:  
6-19-95

Property of Cook County Clerk's Office

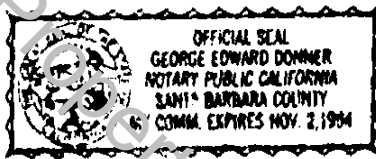
94730403

# UNOFFICIAL COPY

STATE OF California  
COUNTY OF Santa Barbara SS

The foregoing instrument was acknowledged before me this 15th day of August, 1994, by Steina Hans, the Secretary/Treasurer of NORTHSIDE OPERATING CO., an Illinois not for profit corporation, on behalf of the Corporation.

George Edward Donner  
Notary Public



(SEAL)

My commission expires: 11-2-94

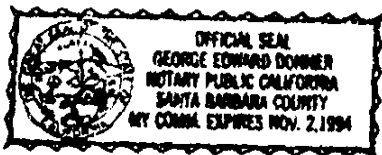
## CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

No 5007

94730403

State of California  
County of Santa Barbara  
On 8-15-94 before me, George Edward Donner  
DATE NAME, TITLE OF OFFICER - E.G., "JANE DOE, NOTARY PUBLIC"  
personally appeared Steina Hans  
NAME(S) OF SIGNER(S)

personally known to me - OR -  proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

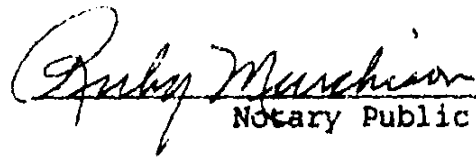
George Edward Donner  
SIGNATURE OF NOTARY

OPTIONAL

# UNOFFICIAL COPY

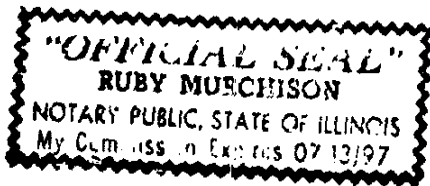
STATE OF ILLINOIS    )  
                                  )    SS  
COUNTY OF COOK     )

The foregoing instrument was acknowledged before me this 17th day of August, 1994, by Sarah H. Webb and Laura H. Mackey, the Vice President and Assistant Secretary respectively of LaSalle National Bank, a body politic and corporate, on behalf of such institution as Bond Trustee under the Bond Indenture.

  
\_\_\_\_\_  
Notary Public

My commission expires:

(SEAL)



94720103

# UNOFFICIAL COPY

## EXHIBIT A

### DESCRIPTION OF LAND

Lots 1 and 2 (except the East 73.31 feet of Lots 1 and 2), Lot 3 (except the North 6.13 feet of the East 73.31 feet thereof), all of Lots 4 to 9, both inclusive, (except that part taken for widening of the North Ashland Avenue by deeds recorded as document numbers 9225053, 9225054, 9225056, 9225057), also all of Lots 10 to 16, both inclusive, and Lots 36 to 53, both inclusive, in Block 4 in Ashland Avenue and Clark Street addition to Edgewater, being a subdivision in Parts of Sections 5 and 6, Township 40 North, Range 14 East of the third principal meridian, in Cook County, Illinois.

5700 N. Ashland Ave  
Chicago IL

14-06-409-001 to -006  
-048 to -056  
-060 to -063

91730403

# UNOFFICIAL COPY

## EXHIBIT B

[THIS OBLIGATION HAS NOT BEEN REGISTERED UNDER  
THE SECURITIES ACT OF 1933, AS AMENDED]

### NORTHSIDE OPERATING CO., DIRECT NOTE OBLIGATION, SERIES 1994 (ILLINOIS HEALTH FACILITIES AUTHORITY)

No. R-1

\$41,000,000

NORTHSIDE OPERATING CO., an Illinois not for profit corporation (the "Corporation"), for value received, hereby promises to pay to the ILLINOIS HEALTH FACILITIES AUTHORITY (the "Authority"), or registered assigns, the principal sum of FORTY-ONE MILLION DOLLARS (\$41,000,000) in monthly installments in the amounts and years set forth below and to pay interest thereon in monthly installments and in the amounts and years set forth below:

FOR THE YEAR ENDING <u>JUNE 30</u>	MONTHLY INSTALLMENT OF PRINCIPAL	MONTHLY INSTALLMENT OF INTEREST
1995		\$3,792,500.00 <sup>(1)</sup>
1996	\$28,000.00	316,041.67
1997	28,000.00	313,729.17
1998	33,333.34	311,416.67
1999	33,333.34	308,333.34
2000	41,666.67	305,250.00
2001	41,666.67	301,395.84
2002	41,666.67	297,541.67
2003	50,000.00	293,687.50
2004	50,000.00	289,062.50
2005	58,333.34	284,437.50
2006	66,666.67	279,041.67
2007	66,666.67	272,875.00
2008	75,000.00	266,708.34
2009	83,333.34	259,770.84
2010	91,666.67	252,062.50

(1) payable in 4 equal monthly installments of \$474,062.50 (the Corporation may receive credit to reflect moneys on deposit in the Interest Fund representing accrued interest on the Series 1994 Bonds, defined herein, from the dated date thereof to the Closing Date, as defined in the Bond Indenture, hereinafter referred to) from September 20, 1994 through December 20, 1994 and 6 equal monthly installments of \$316,041.67 from January 20, 1995 through June 20, 1995.

94730103

# UNOFFICIAL COPY

FOR THE YEAR ENDING <u>JUNE 30</u>	MONTHLY INSTALLMENT <u>OF PRINCIPAL</u>	MONTHLY INSTALLMENT <u>OF INTEREST</u>
2011	\$100,000.00	\$243,583.34
2012	108,333.34	234,333.34
2013	116,666.67	224,312.50
2014	133,333.34	213,520.84
2015	141,666.67	201,187.50
2016	158,333.34	188,083.34
2017	166,666.67	173,437.50
2018	183,333.34	158,020.84
2019	200,000.00	141,062.50
2020	216,666.67	122,562.50
2021	241,666.67	102,520.84
2022	266,666.67	81,666.67
2023	283,333.34	60,000.00
2024	316,666.67	39,166.67

Monthly installments are payable on the 20th day of each month commencing September, 1994.

Payment of interest hereon shall be made to the registered holder hereof by check or draft mailed to such owner at its address as it appears on the registration books maintained by the hereinafter-named Master Trustee, or at such other address as is furnished to the Master Trustee in writing by such holder; provided, however, that if the Corporation so elects, payment of interest may be made directly by the Corporation by check or draft hand delivered to the holder hereof or by wire transfer. The principal of and interest on this Series 1994 Obligation and the premium, if any, payable upon redemption, are payable at the principal corporate trust office of LaSalle National Bank, Chicago, Illinois.

This Series 1994 Obligation is issued under and secured by and entitled to the security of a Master Trust Indenture, as amended by the First Supplemental Master Trust Indenture, each dated as of July 1, 1994 (the "Master Indenture"), duly executed and delivered by the Corporation as the initial member of the Obligated Group (the "Member"), to LaSalle National Bank, Chicago, Illinois, as master trustee (the "Master Trustee"). It is provided in the Master Indenture that the Members may hereafter issue Additional Obligations (as defined in the Master Indenture) from time to time, and if issued, such Additional Obligations will rank pari passu with this Series 1994 Obligation and all other Obligations theretofore or thereafter issued under the Master Indenture, except as otherwise provided in the Master Indenture. Reference is made to the Master Indenture and to all indentures supplemental thereto for the provisions, among others, with respect to the nature and extent of the security for the Obligations, the rights, duties and obligations of the Members and the

94720403

# UNOFFICIAL COPY

Master Trustee and the rights of the holders of the Obligations, and to all the provisions of which the holder hereof by the acceptance of this Series 1994 Obligation assents.

This Series 1994 Obligation is transferable by the registered holder hereof in person or by duly authorized attorney at the principal corporate trust office of the Master Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Master Indenture, and upon surrender and cancellation of this Series 1994 Obligation. Upon such transfer a new registered Obligation or Obligations without coupons of the same maturity and of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Master Trustee may deem and treat the registered holder hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and premium, if any, hereon and interest due hereon and for all other purposes and the Master Trustee shall not be affected by any notice to the contrary.

The principal of this Series 1994 Obligation is subject to redemption by the Members from time to time to the extent of proceeds received from the condemnation or sale consummated under threat of condemnation under eminent domain laws, in whole or in part and if in part, by maturities or portions thereof designated by the Corporation, without premium, as provided in the Master Indenture.

This Series 1994 Obligation may be so prepaid in whole or in part by paying the amount necessary to provide for the payment, prepayment, redemption, refunding or advance refunding of the Authority's \$4,000,000 Revenue Bonds, Series 1994 (Edgewater Hospital and Medical Center) (the "Series 1994 Bonds") or any portion of such Series 1994 Bonds in the manner provided in the Bond Trust Indenture dated as of July 1, 1994 (the "Bond Indenture"), between the Authority and LaSalle National Bank, as bond trustee. The Corporation shall receive certain credits on its required payments of principal of and interest on this Series 1994 Obligation to the extent and in the manner provided in Section 7.4 of the Loan Agreement dated as of July 1, 1994 between the Authority and the Corporation, pursuant to the provisions of which the proceeds of the sale of the Series 1994 Bonds were loaned by the Authority to the Corporation.

In the event this Series 1994 Obligation is prepaid as aforesaid, notice thereof identifying the portion of this Series 1994 Obligation to be prepaid will be given by mailing a copy of the redemption notice by registered or certified mail to the Master Trustee and the registered owner or owners hereof, at their addresses shown on the registration books, not less than 60 days prior to the date fixed for prepayment. This Series 1994 Obligation or the portion hereof so called for prepayment will cease to bear interest on the specified prepayment date, provided funds for its prepayment are on deposit at the place of payment at that time, and this Series 1994 Obligation or such portion shall no longer be protected by the Master Indenture and shall not be deemed to be outstanding under the provisions of the Master Indenture.

The Members may pay or provide for the payment of the entire indebtedness on this Series 1994 Obligation by, among other things, depositing with the Master Trustee Escrow

# UNOFFICIAL COPY

Obligations (as defined in the Master Indenture) in an amount, together with the income or increment to accrue thereon, but without consideration of any reinvestment thereof, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on this Series 1994 Obligation or a portion of this Series 1994 Obligation at or before its maturity date. Upon such deposit, this Series 1994 Obligation or portion of this Series 1994 Obligation shall cease to be entitled to any lien, benefit or security under the Master Indenture. The Members shall remain the obligors on this Series 1994 Obligation, but the holder thereof shall be entitled to payment (to the exclusion of all other Obligation holders) solely out of such cash and funds received from such Escrow Obligations. The Obligations other than this Series 1994 Obligation, or any portion of such Obligations, are also subject to advance defeasance of the Master Indenture in other circumstances described in the Master Indenture, and the Members may pay or provide for the payment of all or a part of the indebtedness on all Obligations of a particular series, other than this Series 1994 Obligation, as described in the Master Indenture. The foregoing notwithstanding, this Series 1994 Obligation shall not be deemed paid and shall continue to be entitled to the lien, benefit and security of the Master Indenture unless and until the Series 1994 Bonds, Bonds, Bonds and Indenture cease to be entitled to any lien, benefit or security under the Master Indenture pursuant to the provisions thereof.

The holder of this Series 1994 Obligation shall have no right to enforce the provisions of the Master Indenture or to take any action to enforce the covenants therein, or to take any action with respect to any event of default under the Master Indenture, or to institute, appear in or defend any suit or other proceedings with respect thereto, except as provided in the Master Indenture.

This Series 1994 Obligation is an Accelerable Instrument (as defined in the Master Indenture).

In certain events (including without limitation the occurrence of an "event of default" as defined in the Master Indenture), on the conditions, in the manner and with the effect set forth in the Master Indenture, the outstanding principal of this Series 1994 Obligation may become or may be declared due and payable before the stated maturity thereof, together with interest accrued thereon. Modifications or alterations of the Master Indenture, or of any supplements thereto, may be made only to the extent and in the circumstances permitted by the Master Indenture.

It is hereby certified that all conditions, acts and things required to exist, happen and be performed under the Master Indenture precedent to and in the issuance of this Series 1994 Obligation, exist, have happened and have been performed, and that the issuance, authentication and delivery of this Series 1994 Obligation have been duly authorized by resolution of the Corporation duly adopted.

No recourse shall be had for the payment of the principal of or premium or interest on this Series 1994 Obligation or for any claim based thereon or upon any obligation, covenant or agreement in the Master Indenture contained, against any past, present or future officer, trustee, director, member, employee or agent of any Initial Member, or any

94730403



# UNOFFICIAL COPY

incorporator, officer, director, member, employee or agent of any successor corporation, as such, either directly or through any successor corporation, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, members, employees or agents, as such, is hereby expressly waived and released as a condition and consideration for the execution of the Master Indenture and the issuance of this Series 1994 Obligation.

The Corporation, on behalf of itself and its members, hereby waives presentment for payment, demand, protest, notice of dishonor and all defenses on the grounds of extension of time of payment or the payment hereof which may be given (other than in writing) by the Master Trustee to the Members.

This Series 1994 Obligation shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Master Indenture until the certificate of authentication hereon shall have been duly executed by the Master Trustee.

**SPECIMEN**

Property of Cook County Clerk's Office

94730403

# UNOFFICIAL COPY

IN WITNESS WHEREOF, NORTHSIDE OPERATING CO. has caused this Series 1994 Obligation to be executed in its name and on its behalf by the manual signature of its President and has caused its seal to be hereunto manually affixed and attested by the manual signature of its Secretary, all as of July 1, 1994.

NORTHSIDE OPERATING CO.

By \_\_\_\_\_  
Its President

(SEAL)

Attest:

By \_\_\_\_\_  
Its Secretary/Treasurer

Property of Cook County Clerk's Office

**SPECIMEN**

94730403

# UNOFFICIAL COPY

IN WITNESS WHEREOF, NORTHSIDE OPERATING CO. has caused this Series 1994 Obligation to be executed in its name and on its behalf by the manual signature of its President and has caused its seal to be hereunto manually affixed, and attested by the manual signature of its Secretary, all as of July 1, 1994.

NORTHSIDE OPERATING CO.

(SEAL)

Attest:

By

  
Its Secretary/Treasurer

Property of **SPECIMEN**  
Cook County Clerk's Office

947304103

# UNOFFICIAL COPY

## MASTER TRUSTEE'S AUTHENTICATION CERTIFICATE

This Series 1994 Obligation is one of the Obligations described in the within-mentioned Master Indenture.

LASALLE NATIONAL BANK, Master Trustee

By 

Date of Authentication: 5/12/94

**SPECIMEN**  
Property of Cook County Clerk's Office

94730403