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. COOK COUNTY RECORDER

MORTGAGE

. DEPT-10 PENALTY \$104.00

and

SECURITY AGREEMENT

from

NEAR NORTH HEALTH SERVICE CORPORATION,
Grantor

to

AMERICAN NATIONAL BANK
AND TRUST COMPANY OF CHICAGO,
as Trustee

Pertaining to
the Obligations of Grantor under a certain
Loan Agreement with
Illinois Development Finance Authority

Dated as of July 7, 1997

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MORTGAGE AND SECURITY AGREEMENT

This MORTGAGE AND SECURITY AGREEMENT dated as of July __, 1997, (together with any amendments or supplements hereto, this "Mortgage"), from NEAR NORTH HEALTH SERVICE CORPORATION (the "Grantor"), an Illinois not for profit corporation, to AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Mortgage Trustee (together with any successors or substitutes in such capacity, the "Mortgage Trustee"), for the use and benefit of:

(i) ILLINOIS DEVELOPMENT FINANCE AUTHORITY (the "Authority"), as lender under a certain Loan Agreement (the "Loan Agreement") dated as of November 1, 1996, where Grantor is obligated to make certain Contract Payments (as defined in the Loan Agreement) in payment of the Indebtedness (as herein defined); and

(ii) AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO (the "Trustee"), as assignee of the Authority's interest in the Loan Agreement and this Mortgage, as trustee for the benefit of the holders of the \$8,785,000 aggregate principal amount of Illinois Development Finance Authority Primary Health Care Centers Facilities Acquisition Program Revenue Bonds, Series 1996 ("Bonds"), under the terms, provisions and lien of that certain Indenture of Trust (the "Trust Indenture") dated November 1, 1996;

W I T N E S S E T H:

WHEREAS, under the Loan Agreement, the Authority has agreed, through the issuance of the Bonds to provide funds to construct, acquire, refinance and/or improve the project described in Exhibit A hereto (herein defined as the "Project") and the Grantor has agreed to make certain Contract Payments in payment therefor; and

WHEREAS, the Authority has assigned to the Trustee, for the benefit of the holders of the Bonds, all of its right, title and interest in and to the Loan Agreement and this Mortgage, including the right to receive the Contract Payments, but excluding the right to receive the Administration Fee, certain payments to the United States of America and the Trustee's fees and excluding the Unassigned Authority Rights, together with all moneys in and investments of all funds created in the Trust Indenture, and all property, rights and interest of any kind delivered to the Trustee as additional security under the Trust Indenture and under the Loan Agreement; and

WHEREAS, in order to induce the Authority to sell the Bonds and the purchasers to purchase the same, the Grantor has agreed to execute and deliver this Mortgage in order further to secure the payment of the Indebtedness and the other amounts due under the Trust Indenture and the Loan Agreement; and

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NOW, THEREFORE, the Grantor, in consideration of the premises and of the covenants and agreements herein contained and the sum of One Dollar (\$1.00), in lawful money of the United States of America, to it duly paid at or before the execution and delivery of this Mortgage, and in order to induce the Authority to enter into the Loan Agreement and for other good and valuable consideration, the receipt and sufficiency of all of which is hereby acknowledged, in order to secure the payment of the Indebtedness (hereinafter defined) and the performance and observance of all the covenants herein by Grantor, intending to be legally bound hereby, does hereby BARGAIN, SELL, DEMISE, WARRANT, GIVE, HYPOTHECATE, SETOVER, GRANT, CONVEY, TRANSFER, MORTGAGE, PLEDGE, RELEASE, ASSIGN and CONFIRM to the Mortgage Trustee and its successors and assigns in trust hereunder, the Mortgaged Property (hereinafter defined), subject to Permitted Encumbrances (hereinafter defined).

TO HAVE AND TO HOLD the Mortgaged Property, whether now owned or held or hereafter acquired, unto the Mortgage Trustee, its successors and assigns, forever; but IN TRUST NEVERTHELESS, upon the terms and trusts herein set forth to secure the payment of the Indebtedness, present and future, and to secure the performance of and compliance with the obligations, covenants and conditions herein set forth.

IT IS HEREBY COVENANTED, DECLARED AND AGREED (a) that the liens and security interests created by this Mortgage to secure the payment of the Indebtedness, both present and future, shall be first, prior and superior to any lien, reservation of title or other interest heretofore, contemporaneously or subsequently suffered or granted by the Grantor, its legal representatives, successors or assigns, in and to the Mortgaged Property except only Permitted Encumbrances, and (b) that the Mortgaged Property is to be held, administered and disposed of by the Mortgage Trustee upon and subject to the terms, covenants, conditions, uses, agreements and trusts set forth in this Mortgage as follows:

ARTICLE 1

Definitions of Terms

Section 1.1 Definitions. When used in this Mortgage, capitalized terms shall have the meanings specified in this Section unless the context clearly requires otherwise:

"Accounts" means all accounts, accounts receivable, contract rights, notes, bills, acceptances, choses in action, chattel paper, instruments, documents and other forms of obligations or rights to payment for goods sold or delivered or services performed by any other party at any time owing to Grantor, including without limitation such obligations or rights to payment arising from

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acquisition, ownership, operation, maintenance, repair, replacement or substitution or disposition of the Mortgaged Property or any portion thereof or relating thereto, bank accounts, deposits, credit balances, the proceeds thereof and all of Grantor's rights with respect to any goods represented thereby, whether or not delivered, goods returned by customers and all rights as an unpaid vendor or lienor, including rights of stoppage in transit and of recovering possession by proceedings including replevin and reclamation, together with all patient or other customer lists, books and records, ledger and account cards, computer tapes, software, disks, printouts and records, whether now in existence or hereafter created, relating to Accounts.

"Beneficiary" - Collectively, the Authority and the Trustee and their respective successors.

"Collateral" means all of Grantor's right, title and interest in and under or arising out of all and any personal property, intangibles and fixtures of any type or description, wherever located and now existing or hereafter arising which constitute Project Property, or which constitute or arise from the acquisition, ownership, operation, maintenance, repair, replacement or substitution or disposition of the Mortgaged Property or any portion thereof, together with any and all additions and accessions thereto and replacements, products and proceeds (including, without limitation proceeds of insurance) thereof, including but not limited to the following:

- (i) subject to the terms of any applicable Intercreditor Agreement executed in accordance with Section 3.2(c) of the Loan Agreement, all present and future Accounts, and
- (ii) subject to the terms of any applicable Intercreditor Agreement executed in accordance with Section 3.2(c) of the Loan Agreement, all goods including, without limitation, the Equipment; and
- (iii) subject to the terms of any applicable Intercreditor Agreement executed in accordance with Section 3.2(c) of the Loan Agreement, all of the General Intangibles; and
- (iv) subject to the terms of any applicable Intercreditor Agreement executed in accordance with Section 3.2(c) of the Loan Agreement; and
- (v) all other personal property or Fixtures of any nature whatsoever, including, without limitation, inventory, goods, equipment, instruments, chattel paper, machinery, furniture, furnishings, fixtures, tools, supplies, appliances, plans and drawings together with all patient and customer lists and records of the business, which constitute, arise from or relate to the acquisition,

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ownership, operation, maintenance, repair, replacement or substitution or disposition of the Mortgaged Property or any portion thereof, and all property from time to time described in any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) signed by Grantor naming the Beneficiary as secured party; and

(vi) subject to the terms of any applicable Intercreditor Agreement executed in accordance with Section 3.2(c) of the Loan Agreement but only to the extent that the following Collateral constitutes Gross Revenues, all claims, rights, powers or privileges and remedies relating to the foregoing or arising in connection therewith including, without limitation, to the fullest extent permitted by law, all Licenses and Permits, rights to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, waiver or approval, together with full power and authority to demand, receive, endorse, collect or receipt for any of the foregoing, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action which (in the opinion of the Beneficiary) may be necessary or advisable in connection with any of the foregoing; all liens, security, guaranties, endorsements, warranties and indemnities and all insurance and eminent domain and condemnation awards and claims for insurance and eminent domain and condemnation awards relating thereto or arising in connection therewith; all rights to property forming the subject matter of any of the foregoing including, without limitation, right to stoppage in transit and rights to returned or repossessed property; all writings relating thereto or arising in connection therewith including, without limitation, all notes, contracts, security agreements, guaranties, chattel paper and other evidence of indebtedness or security, all powers-of-attorney, all books, records, ledger cards and invoices, all credit information, reports or memorandum and all evidence of filings or registrations relating thereto; and

(vii) subject to the terms of any applicable Intercreditor Agreement executed in accordance with Section 3.2(c) of the Loan Agreement to the extent such terms constitute Gross Revenues, all other accounts, contract rights, general intangibles and other property rights of any nature whatsoever arising out of or in connection with any of the foregoing, including without limitation, payments due and to become due, whether as repayments, reimbursements, contractual obligations, indemnities, damages or otherwise.

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"Commercial Code" - The Uniform Commercial Code, as now written or hereafter amended or succeeded, as in effect in the State of Illinois.

"Environmental Enforcement Actions" shall mean collectively, all actions or orders instituted, threatened, required or completed by any Governmental Authority and all claims made or threatened by any person against the Grantor or the Mortgaged Property (or any other occupant, prior occupant or prior owner thereof), arising out of or in connection with any of the Environmental Laws or the assessment, monitoring, clean-up, containment, remediation or removal of, or damages caused or alleged to be caused by, any Hazardous Substances (i) located on or under the Mortgaged Property, (ii) emanating from the Mortgaged Property or (iii) generated, stored, transported, utilized, disposed of, managed or released by the Grantor (whether or not on, under or from the Mortgaged Property).

"Environmental Laws" shall mean collectively, all Legal Requirements applicable to (i) environmental conditions on, under or emanating from the Mortgaged Property including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act, the Federal Water Pollution Control Act and the Federal Clean Air Act and (ii) the generation, storage, transportation, utilization, disposal, management or release (whether or not on, under or from the Mortgaged Property) of Hazardous Materials by the Grantor.

"Equipment" means all of Grantor's items of machinery, equipment and other tangible personal property, including without limitation such personal property which constitute Project Property, arise from or relate to the acquisition, ownership, operation, maintenance, repair, replacement or substitution or disposition of the Mortgaged Property or any portion thereof, together with all repairs, replacements, improvements, substitutions, extensions or renewals thereof or additions thereto, all parts, additions and accessories incorporated therein or affixed thereto, and all cash and non-cash proceeds therefrom, equipment shall include all property substituted for or replacing items of Equipment.

"Event of Default" as defined in the Loan Agreement.

"Fixtures" means all real estate fixtures on the Mortgaged Property or items which by agreement of the parties may be deemed to be such fixtures, now or hereafter owned by Grantor or in which Grantor has or hereafter obtains an interest, and now or hereafter located in or upon the Mortgaged Property or now or hereafter attached to, installed in, or used in connection with any of the Mortgaged Property, including, but not limited to, any and all portable or sectional buildings, bathroom, plumbing, heating, lighting, refrigerating, ventilating and air-conditioning apparatus

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and equipment, garbage incinerators and receptacles, elevators and elevator machinery, boilers, furnaces, stoves, tanks, motors, sprinkler and fire detection and extinguishing systems, doorbell and alarm systems, window shades, screens, awnings, screen doors, storm and other detachable windows and doors, mantels, partitions, built-in cases, counters and other fixtures whether or not included in the foregoing enumeration.

"General Intangibles" means all present and future general intangibles and contract rights, including without limitation such general intangibles and contract rights which constitute, arise from or relate to the acquisition, ownership, operation, maintenance, repair, replacement or substitution or disposition of the Mortgaged Property or any portion thereof, including, but not limited to all rights and claims in and to any funds established under the Trust Indenture, all Licenses and Permits, all warranties, all causes of action, corporate or business records, inventions, designs, patents, patent applications, trademarks, trademark registrations and applications therefor, goodwill, trade names, trade secrets, trade processes, copyrights, copyright registrations and applications therefor, franchises, customer lists, computer programs, all claims under guaranties, tax refund claims, rights and claims against carriers and shippers, leases, claims under insurance policies, all rights to indemnification and all other intangible personal property of every kind and nature which constitutes, arises from or relates to the acquisition, ownership, operation, maintenance, repair, replacement or substitution or disposition of the Mortgaged Property or any portion thereof.

"Governmental Authority" shall mean all agencies, authorities, bodies, boards, commissions, courts, instrumentalities, legislatures and offices of any nature whatsoever for any government unit or political subdivision, whether federal, state, county, district, municipal, city or otherwise, and whether now or hereafter in existence.

"Government-Related Collateral" shall mean all right, title and interest of Grantor in, to and under, or derived from any and all sale, service or performance (whether or not any such sale, service or performance has occurred) with respect to any contract with any Governmental Authority, including, without limitation, any contract governed by the Federal Assignment of Claims Act.

"Gross Revenues" as defined in the Loan Agreement.

"Indebtedness" - All Contract Payments, plus all other amounts payable by the Grantor under the Loan Agreement except for the Administration Fee, and plus any amounts payable hereunder.

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"Instrument" has the meaning specified in Article 9 of the Uniform Commercial Code, as in effect from time to time in the jurisdiction in which any of the Collateral is located.

"Legal Requirements" shall mean all federal, state, county, municipal and other governmental statutes, ordinances, by-laws, codes, restrictions, orders, judgments, decrees and injunctions (including, without limitation, all applicable building, health code, zoning, subdivision, and other land use and health-care licensing statutes, ordinances, by-laws and codes) or, to the best of the Grantor's knowledge, any rule or regulation to which any of the Grantor is subject, whether now or hereafter enacted, affecting the Mortgaged Property and/or the construction, development, maintenance, management, repair, use and/or operation thereof.

"Licenses" means all determinations and certificates of need, licenses, permits, rights of use, covenants, approvals or rights otherwise benefiting or permitting the use and operation of the Mortgaged Property or any part thereof pertaining to the acquisition, ownership, operation, maintenance, repair, replacement or substitution or disposition of the Mortgaged Property or any portion thereof.

"Mortgaged Property" - The real property (the "Project Site") described by metes and bounds in Exhibit B attached hereto and incorporated herein for all purposes as same exist or may be supplemented from time to time; all buildings, improvements, structures and Fixtures now situated or hereafter placed thereon; all additions, enlargements, extensions and improvements thereto and substitutions therefor and replacements, reversions and remainders thereof; and all rights, privileges, tenements, hereditament, rights-of-way, passages (and all water, water courses and riparian rights, if any), easements, appendages and appurtenances in any way now or hereafter appertaining thereto.

"Mortgage Trustee" - American National Bank and Trust Company of Chicago, or its successor

"Obligations" means each of the payment and performance obligations of the Grantor to the Beneficiary or any other person, now existing or hereafter arising (including obligations with respect to future advances) including, without limitation, the obligations of the Grantor to the Beneficiary or any other person under the Loan Agreement, the Trust Indenture, the Mortgage and the other Security Documents and all other documents and instruments heretofore or hereafter executed and delivered to Beneficiary evidencing, securing or otherwise relating to such payments and other obligations or any of them and any supplement to or replacement or successor agreement for any of the foregoing, regardless of whether such document has, on the date hereof, been executed and delivered, in each case as and when the same shall become due and payable, whether at maturity, by acceleration or

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otherwise, according to the terms thereof, and the due and punctual performance and observance of all such payments and other obligations.

"Permitted Encumbrances" - As defined in the Loan Agreement.

"Permits" means all permits, approvals, consents, waivers, exemptions, variances, franchises, orders, authorizations, rights and licenses obtained or hereafter obtained from any federal, state or other governmental authority or agency relating to the acquisition, ownership, operation, maintenance, repair, replacement or substitution or disposition of the Mortgaged Property or any portion thereof.

"Project" - A facility described in Exhibit A hereto and in the Loan Agreement.

"Project Property" - As defined in the Loan Agreement.

"Security Documents" shall mean this Agreement, the Trust Indenture, the Loan Agreement and all other documents now or hereafter executed by the Grantor to further evidence or secure the Obligations.

"Surrounding Property" shall mean any real property that is located within a one-half (1/2) mile radius of the Mortgaged Property.

Section 1.2 Certain Matters. Whenever the context thereof requires:

(i) references in this Mortgage to the singular number shall include the plural and vice versa; and

(ii) words denoting gender shall be construed to include the masculine, feminine and neuter.

The Table of Contents and the titles given to any article or section of this Mortgage are for convenience only and are not intended in any way to modify, amend or limit the article or section.

Section 1.3 Other Terms. The capitalized terms used in this Mortgage, including the "Whereas clauses" hereof that are not defined herein shall have the meanings assigned to them in the Loan Agreement and the Trust Indenture.

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ARTICLE 2

General Covenants and Provisions

Section 2.1 Instruments of Further Assurance; Recording. The Grantor covenants that it shall:

(a) cause to be taken any action reasonably required by the Mortgage Trustee for the better assigning, pledging and confirming to the Mortgage Trustee of the Mortgaged Property;

(b) from time to time, if required by the Beneficiary, cause this Mortgage and each amendment and supplement hereto (or a memorandum with respect hereto or to such amendment or supplement) to be filed, registered and recorded and to be refiled, re-registered and re-recorded in such manner and in such places as may be required by any present or future law in order to publish notice of and fully to protect the lien of this Mortgage upon the Mortgaged Property; and

(c) execute, acknowledge and deliver such further assurances and documents as in the reasonable opinion of the Mortgage Trustee and the Beneficiary shall be necessary, proper or appropriate to:

(i) convey and assign to the Mortgage Trustee all of the Mortgaged Property herein conveyed or assigned, or intended so to be; or

(ii) properly evidence or give notice of the Indebtedness or of each lien and security interest securing payment of the Indebtedness.

Section 2.2 Title to Mortgaged Property. The Grantor hereby represents and warrants that it owns good and marketable, fee simple title to the Mortgaged Property, free and clear of all liens, claims and encumbrances other than Permitted Encumbrances.

Section 2.3 General Covenants. For the purpose of better securing payment of the Indebtedness, the Grantor expressly covenants and agrees with the Mortgage Trustee, for the benefit of the Beneficiary, that:

(i) No lien, security interest, right or remedy in favor of the Mortgage Trustee or the Beneficiary granted in or secured by this Mortgage shall be considered as exclusive, but all liens, security interests, rights and remedies under this Mortgage shall be cumulative of each other and of all other rights and remedies that the Mortgage Trustee or the Beneficiary may now or hereafter have as security for or in respect of the Indebtedness or any part thereof.

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(ii) All rights of marshaling of assets or sale in inverse order of alienation in the event of foreclosure of any lien or security interest at any time securing the Indebtedness or any part thereof (including, but not limited to, the lien hereby created) are hereby waived.

(iii) The Grantor will assist, if requested, in the correction of any defect in title to the Mortgaged Property other than any Permitted Encumbrance should any such defect be found to exist after the execution and delivery hereof and agrees that it will not, through its action or inaction, permit any liens other than Permitted Encumbrances to be placed thereon.

Section 2.4 Defects in Documents. Upon request of the Beneficiary, the Grantor will promptly cause to be corrected any defect in this Mortgage and in any other document executed in connection herewith, including any defect in the execution or acknowledgment hereof or thereof or in the description of the Mortgaged Property.

Section 2.5 Consent to Release. (a) Except as provided in subsection (b) to this Section, the Beneficiary, without the prior written consent of all holders of the Bonds, shall not have the right to release any part of the Mortgaged Property now or hereafter subject to the lien hereof or any other security the Beneficiary now has or may hereafter have securing payment of all or any part of the Indebtedness.

(b) The Beneficiary may release in whole or part, any lien on the Mortgaged Property created hereunder without the prior written consent of all the holders of the Bonds if such release is otherwise permitted under the Trust Indenture, is approved by the Trustee, and is permitted by the Special Conditions to the Loan Agreement.

Section 2.6 Legal Proceedings Affecting Mortgaged Property. With respect to any legal proceedings affecting title to, or the lien of this Mortgage upon the Mortgaged Property or any part thereof, the Grantor, promptly upon the commencement thereof, shall notify the Mortgage Trustee and the Beneficiary, and the Mortgage Trustee or the Beneficiary may take such action as is required to preserve the Mortgage Trustee's rights affected thereby.

Section 2.7 Successor Mortgage Trustee. (a) In case of resignation or any failure of the Mortgage Trustee to act, or if the Beneficiary shall desire to replace the Mortgage Trustee, the Beneficiary may appoint a successor Mortgage Trustee, without other formality than an appointment in writing designating such successor, whereupon this designation shall vest in such successor the estate in and title to all of the Mortgaged Property.

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(b) The successor Mortgage Trustee shall thereupon hold, possess and exercise all the title, rights, powers and duties herein conferred on the previous Mortgage Trustee, and the successor Mortgage Trustee's conveyance to the purchaser at any sale shall be as valid and effective as if made by the original Mortgage Trustee.

(c) The authority to appoint a successor Mortgage Trustee may be exercised at any time and from time to time without cause.

Section 2.8 Assignment of Rents and Leases. The Grantor hereby irrevocably assigns and sets over to the Mortgage Trustee all of the Grantor's right, title and interest in, to and under all leases, subleases, underlettings, concession agreements, licenses, other occupancy agreements, and all of the Grantor's rights and benefits under all documents which now or hereafter may affect the Mortgaged Property or any portion thereof, whether recorded or unrecorded, and under any and all guarantees, modifications, renewals and extensions thereof (collectively the "Leases"), and in and to any and all deposits made or hereafter made as security under the Leases, subject to the prior legal rights under the Leases of the lessees making such deposits, together with any and all of the benefits, revenues, income, rents, issues and profits due to become due or to which the Grantor is now or hereafter may become entitled arising out of the Leases or the Mortgaged Property or any portion thereof.

In connection with the foregoing, Grantor does hereby irrevocably appoint the Beneficiary and/or its attorney or agent to collect the rents, without the necessity of any action in court, and to apply the same, less all expenses of collection, to any and all indebtedness secured hereby in such manner as the Beneficiary may elect; provided, that Grantor may continue to collect and enjoy the current rents without accountability to the Beneficiary until there is an event of default under the Trust Indenture, Loan Agreement or hereunder. As soon as there is an event of default the Beneficiary shall immediately be entitled to all the rents collected thereafter without regard to where they may have become due and such right may be exercised by the Beneficiary by giving simple notice to the Grantor.

In addition, Grantor hereby irrevocably authorizes the Beneficiary to endorse Grantor's name on checks, bank drafts, etc. received in payment of the rents. This assignment of rents and power of attorney is irrevocable and coupled with an interest. No liability shall attach to the Beneficiary for failure, refusal or inability to collect any rents herein assigned, for the manner of collection thereof or for the failure on the part of the Beneficiary to perform any of Grantor's obligations as landlord under any lease with respect to the Mortgaged Property.

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Section 2.9 Fixtures. To the extent permitted by law, (i) all of the Fixtures are or are to become fixtures on the Mortgaged Property; and (ii) this instrument, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture-filing" within the meaning of Sections 9-313 and 9-402 of the Commercial Code.

ARTICLE 3

Discharge

Section 3.1 Discharge.

(a) When all of the Indebtedness has been paid or all payment thereof has been provided for in accordance with the Loan Agreement and obligations relating thereto have been satisfied in accordance with the Loan Agreement, the Trust Indenture and this Mortgage, then this Mortgage and the estate hereby granted shall terminate and the Mortgaged Property shall revert to the Grantor for disposition in accordance with the Loan Agreement.

(b) Upon the termination of this Mortgage, the Mortgage Trustee shall execute such documents as may be reasonably requested by the Grantor to evidence the discharge and satisfaction of this Mortgage and release the Mortgaged Property described in clause (a) of the definition of that term herein from the lien of this Mortgage.

(c) Any expenses incurred by any party in connection with the termination of this Mortgage shall be paid by the Grantor.

ARTICLE 4

Foreclosure Proceedings

Section 4.1 Right to Foreclosure. Upon the occurrence of an Event of Default the Mortgage Trustee, acting at the direction of the Beneficiary, shall have the right to enforce this trust by selling the Mortgaged Property described in clause (a) of the definition of that term herein, in whole or in part, in one or more parcels.

Section 4.2 Method of Sale.

(a) The sale shall be made in any county in which any interest in real estate subject to this Mortgage is situated; provided that, if such real estate is situated in more than one county, notices as hereinafter provided shall be given in all such

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counties and such notices shall designate the county where such interest in real estate will be sold.

(b) Notice of any sale shall be given by posting written notice thereof at least 21 days preceding the date of the sale at the courthouse door in the county in which the real estate is located; provided that, if such real estate is situated in more than one county, one notice shall be posted at the courthouse door of each county where such real estate is situated.

(c) The Mortgage Trustee, at least 21 days preceding the date of any sale, shall serve the Grantor with written notice of the proposed sale by registered or certified mail, return receipt requested.

(d) Service of notice upon the Grantor shall be completed upon deposit of the notice, enclosed in a postpaid wrapper, properly addressed to the Grantor, in a post office or official depository under the care and custody of the United States Postal Service.

(e) The affidavit of any person having knowledge of factors to the effect that such service was completed shall be prima facie evidence of the fact of service.

(f) After written notice has been posted and served upon the Grantor, the Mortgage Trustee shall:

(i) enforce this trust by selling the Mortgaged Property either as an entirety or in parcels at public sale in front of the door of the courthouse of the county designated in such notice on the first Tuesday in any month between the hours of 10:00 am. and 4:00 pm., to the highest bidder or bidders for cash; and

(ii) convey the Mortgaged Property with general warranty to any purchaser.

(g) In the event of any conveyance as a result of foreclosure, the Grantor and legal representatives, successors and assigns shall be forever bound thereby; but the Grantor shall not be required at its expense to defend the same.

(h) The provisions of this Mortgage relating to posting and giving notices of sale are intended to comply with the provisions of the Illinois Mortgage Foreclosure Act in effect on the date hereof; provided that, if any requirement for such notice is changed, then the notice provisions of this Mortgage shall be modified to conform with any change in law as of the effective date thereof.

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(i) The manner herein prescribed for serving or giving any notice, other than that to be posted or caused to be posted by the Mortgage Trustee, shall not be deemed exclusive but such notice or notices may be given in any other manner permitted by law or the Loan Agreement.

Section 4.2A Power of Sale; Other Remedies. (a) It shall be lawful for Mortgage Trustee to (i) immediately sell the Mortgaged Property either in whole or in separate parcels, as prescribed by the State law, under power of sale, which power is hereby granted to Mortgage Trustee to the full extent permitted by the State law, and thereupon, to make and execute to any purchaser(s) thereof deeds of conveyance pursuant to applicable law or (ii) immediately foreclose this Mortgage by judicial action. The court in which any proceeding is pending for the purpose of foreclosure of this Mortgage may, at once or at any time thereafter, either before or after sale, without notice and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the Obligations secured hereby, and without regard to the then value of the Mortgaged Property or the occupancy thereof as a homestead, appoint a receiver (the provisions for the appointment of a receiver and assignment of rents being an express condition upon which the loan hereby secured is made) for the benefit of Mortgage Trustee, with power to collect the rents, due and to become due, during such foreclosure suit and the full statutory period of redemption notwithstanding any redemption. The receiver, out of the rents when collected, may pay costs incurred in the management and operation of the Mortgaged Property, prior and subordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due or thereafter accruing, and may make and pay for any necessary repairs to the Mortgaged Property, and may pay all or any part of the Obligations or other sums secured hereby or any deficiency decree entered in such foreclosure proceedings. Upon or at any time after the filing of a suit to foreclose this Mortgage, the court in which such suit is filed shall have full power to enter an order placing Mortgage Trustee in possession of the Mortgaged Property with the same power granted to a receiver pursuant to this subparagraph and with all other rights and privileges of a mortgagee-in-possession under applicable law.

(b) Mortgage Trustee's Right to Enter and Take Possession, Operate and Apply Income. Mortgage Trustee shall, at its option, have the right, acting through its agents or attorneys, either with or without process of law, forcibly or otherwise, to enter upon and take possession of the Mortgage Property, expel and remove any persons, goods, or chattels occupying or upon the same, to collect or receive all the rents, and to manage and control the same, and to lease the same or any part thereof, from time to time, and, after deducting all reasonable attorneys' fees and expenses, and all reasonable expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property,

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distribute and apply the remaining net income in accordance with the terms of the Loan Agreement or upon any deficiency decree incurred in any foreclosure proceedings.

Section 4.3 Application of Proceeds; Effect of Sale.

(a) The Mortgage Trustee shall deliver to the Trustee the proceeds of any foreclosure sale or any other remedy hereunder for application and in accordance with Section 6.11 of the Trust Indenture.

(b) Any proper sale hereunder shall forever be a bar against the Grantor, its legal representatives, successors and assigns, and all other persons claiming under any of them.

(c) The recitals in each conveyance to the purchaser shall be:

- (i) full evidence of the truth of the matters therein stated; and
- (ii) prima facie evidence that all lawful prerequisites to such sale have been satisfied.

Section 4.4 Abandonment of Sale.

(a) If foreclosure is instituted by the Mortgage Trustee, the Beneficiary, at any time before the sale, may direct the Mortgage Trustee to abandon the sale and may at any time thereafter direct the Mortgage Trustee again to institute foreclosure.

(b) If the Mortgage Trustee institutes suit for foreclosure of the lien of this Mortgage, the Beneficiary, at any time before the entry of final judgment, may direct the Mortgage Trustee to dismiss such action and require the Mortgage Trustee to sell the Mortgaged Property.

Section 4.5 Non-Extinguishment of Lien. No sale by the Mortgage Trustee under this Mortgage and no judicial foreclosure shall extinguish the lien or exhaust the power of sale under this Mortgage except with respect to the items of property sold; provided that, the lien of this Mortgage and power of sale shall exist and may be exercised in any manner permitted by law as often as the circumstances require to give the Beneficiary full relief hereunder.

Section 4.6 Right to Purchase.

(a) The Beneficiary shall have the right to become the purchaser at any sale made hereunder.

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(b) The amount of outstanding Indebtedness shall be deemed cash paid by the Beneficiary for the purposes of this Article.

Section 4.7 Other Remedies. Upon the occurrence of an Event of Default the beneficiary shall have available to it and may exercise all rights and remedies granted to it under any Bond Documents or any applicable law.

Section 4.8 Mortgage Trustee's Remedies against Multiple Parcels. If more than one property, lot or parcel is covered by this Mortgage, and if this Mortgage is foreclosed upon, or judgment is entered upon any Obligations secured hereby, or if Mortgagee exercises its power of sale, execution may be made upon or Mortgage Trustee may exercise its power of sale against any one or more of the properties, lots or parcels and not upon the others, or upon all of such properties or parcels, either together or separately, and at different times or at the same time, and execution sales or sales by advertisement may likewise be conducted separately or concurrently, in each case at Mortgage Trustee's election.

Section 4.9 No Merger. In the event of a foreclosure of this Mortgage or any other mortgage or deed of trust securing the Obligations, the Obligations then due the Mortgage Trustee shall not be merged into any decree of foreclosure entered by the court, and Mortgage Trustee may concurrently or subsequently seek to foreclose one or more mortgages or deeds of trust which also secure said Obligations.

ARTICLE 5

Obligations, Waivers, Limits

Section 5.1 Performance of Grantor's Obligations.

(a) If, after the giving of any notice, the Grantor fails within 15 days after the giving of such notice to comply with any request under this or any other instrument securing, guaranteeing or otherwise relating to the Indebtedness or any part thereof, then the Beneficiary may perform such obligations, out of its own expense, on behalf of and in the name of the Grantor.

(b) Any and all expenditures or expenses, including reasonable attorney's fees incurred or paid by the Beneficiary in performing the Grantor's obligations under this Mortgage or any other agreement relating to the Indebtedness together with interest thereon at the Default Rate shall be an additional amount payable immediately to the Trustee under the Loan Agreement.

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Section 5.2 No Waiver. The exercise of the privileges granted in this Article shall not constitute a waiver of the right of the Beneficiary at any time after default hereunder or under the Loan Agreement to declare the Indebtedness to be immediately due and payable. These privileges are cumulative of all rights given the Mortgage Trustee and the Beneficiary by this Mortgage, by the Loan Agreement or by Law.

Section 5.3 Grantor's Waivers. The Grantor hereby waives and releases:

(1) all procedural errors, defects and imperfections in any proceeding instituted by the Mortgage Trustee or the Beneficiary under the Trust Indenture, this Mortgage, the Loan Agreement;

(2) all benefit that might accrue to the Grantor by virtue of any present or future law exempting the Mortgaged Property, or any part of the proceeds arising from any sale thereof, from attachment, levy or sale on execution, or providing for any stay of execution, exemption from civil process or extension of time for payment;

(3) unless specifically required herein, all notices of the Grantor's default or of the Mortgage Trustee or the Beneficiary's election to exercise, or the Mortgage Trustee or the Beneficiary's actual exercise of any option under the Loan Agreement, the Trust Indenture or this Mortgage;

(4) after sale or sales of the Mortgaged Property any right under any statute heretofore or hereafter enacted to redeem the property so sold or any part hereof; and

(5) any right to have the Mortgaged Property marshaled upon any foreclosure hereunder. The right is hereby given by the Grantor and reserved by the Mortgage Trustee or the Beneficiary to make partial release or releases of security hereunder, agreeable to the Mortgage Trustee or the Beneficiary as the case may be, without notice to, or the consent, approval or agreement of other parties in interest, which partial release or releases shall not impair in any manner the validity of or priority of this Mortgage on the security remaining, nor release the personal liability of the Grantor for the debt hereby secured.

ARTICLE 6

Hazardous Materials

Section 6.1 Hazardous Materials. For the purposes of this Article 6, Grantor agrees that, unless the context otherwise

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specifies or requires, the following terms shall have the following meanings:

(a) "Hazardous Materials" shall mean any and all of the following, except to the extent that any of the following are used by Grantor in the ordinary course of its business in compliance with any applicable rules and regulations (i) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et seq.), as amended from time to time, and regulations promulgated thereunder; (ii) any "hazardous substance" as defined by the Comprehensive: Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et seq.) ("CERCLA"), as amended from time to time, and regulations promulgated thereunder; (iii) asbestos; (iv) polychlorinated biphenyls; (v) underground storage tanks, whether empty, filled or partially filled with any substance, (vi) any substance the presence of which on the Mortgaged Property is prohibited by any applicable governmental requirements and regulations ("Governmental Requirements"); and (vii) any other substance which by any Governmental Requirements requires special handling or notification of any federal, state, or local governmental entity in its collection, storage, treatment, or disposal.

(b) "Hazardous Materials Contamination" shall mean the contamination (whether presently existing or hereafter occurring) of any improvements, facilities, soil, groundwater, air or other elements on or of the Mortgaged Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, groundwater, air, or other elements on or of any other property as a result of Hazardous Materials at any time (whether before or after the date of this Mortgage) emanating from the Mortgaged Property.

Section 6.2 Environmental Covenants and Indemnification.

(a) The Grantor covenants that, as long as any Bonds remain Outstanding under the Trust Indenture, it shall not:

(i) generate, store, transport, utilize, dispose of, manage, release or locate, or permit the generation, storage, transportation, utilization, disposal, management, release or threat of release, or location of any Hazardous Substances (other than Hazardous Substances utilized in the ordinary course by the Center's business and handled and disposed of in accordance with applicable law) on, under or from the Mortgaged Property, except for de minimis releases typically associated with the use of the Mortgaged Property; or

(ii) permit any lien arising under or related to any of the Environmental Laws to attach to the Mortgaged Property.

In addition to all other covenants contained herein, the Grantor agrees that the Mortgaged Property shall be maintained in

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compliance with the Environmental Laws and the Grantor covenants that it has fully complied with all applicable requirements of the Illinois Responsible Property Transfer Act of 1988.

(b) The Grantor shall provide the Mortgage Trustee with written notice of any of the Following events promptly upon the Grantor becoming aware thereof: (i) the presence of, any release or any threat of release of any Hazardous Materials (other than Hazardous Substances utilized in the ordinary course of the Center's business and handled and disposed of in accordance with applicable law) on, under or from the Mortgaged Property (whether or not caused by the Grantor), (ii) any Environmental Enforcement Action instituted or threatened, (iii) any enforcement, assessment, monitoring, clean-up, containment, removal, remediation, restoration or other action or order instituted, threatened, required or completed by any Governmental Authority pursuant to any of the Environmental Laws with respect to any Surrounding Property, (iv) any condition or occurrence on any Surrounding Property that may constitute a violation of any of the Environmental Laws and (v) the receipt by the Grantor of any notice relating to the Mortgaged Property or any Hazardous Materials allegedly originating on, under or from the Mortgaged Property or any Surrounding Property, from any Governmental Authority pursuant to any of the Environmental Laws.

(c) Upon the Grantor becoming aware of the presence of, any release, or any threat of release of any Hazardous Materials (other than Hazardous Substances utilized in the ordinary course of the Center's business and handled and disposed of in accordance with applicable law) on, under or from the Mortgaged Property or any Surrounding Property (whether or not caused by the Grantor), the Grantor shall immediately take all such actions to arrange for the assessment, monitoring, clean-up, containment, removal, remediation or restoration of the Mortgaged Property and the Surrounding Property, to the extent that the presence of any Hazardous Materials on the Surrounding Property originated on, under or from the Mortgaged Property as (i) are required pursuant to any of the Environmental Laws or by any Governmental Authority and (ii) may otherwise be advisable and requested by the Mortgage Trustee or the holders of at least two-thirds in aggregate principal amount of Bonds Outstanding.

(d) The Grantor shall provide the Mortgage Trustee, within thirty (30) days after a demand by the Mortgage Trustee, with a bond, letter of credit or other similar financial assurance, in form and substance satisfactory to the Mortgage Trustee (in its sole and absolute discretion) evidencing to the Mortgage Trustee's satisfaction that the necessary financial resources are available to pay all costs associated with the aforementioned actions, the release of any lien against the Mortgaged Property, the release or other satisfaction of the liability, if any, of the Grantor arising under or related to any of the Environmental Laws and the

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satisfaction of any applicable Environmental Enforcement Actions.

(e) The Grantor shall and hereby agrees to indemnify, exonerate, defend (with counsel acceptable to the Beneficiary) and hold the Beneficiary and the Bondholders harmless from and against any claim, liability, loss, cost, damage or expense (including, without limitation, environmental consultants' and experts' fees and expenses, reasonable attorneys' fees and expenses, court costs and all costs of assessment, monitoring, clean-up, containment, removal, remediation and restoration) arising out of or in connection with (i) any breach of any of the representations, warranties, conditions and covenants of this Agreement, the Trust Indenture, or any of the other Bond Documents (whether any such matters arise before or after foreclosure proceedings are commenced or entry for the purpose of foreclosure is made or foreclosure of this Agreement is completed), (ii) the Beneficiary's, or the Holders' of a Majority of Owners exercise any of its rights and remedies hereunder or (iii) the enforcement of the aforesaid indemnification agreement. Notwithstanding the foregoing, the Beneficiary and a Majority of Owners shall have the option of conducting their defense with counsel of their choice, but at the expense of the Grantor as aforesaid.

The matters covered by the foregoing indemnity with respect to any property other than the Mortgaged Property shall not include any costs incurred as a result of the clean-up, containment, remediation or removal of Hazardous Materials on, under or from such other property or the restoration thereof if such Hazardous Materials did not originate on, under or from the Mortgaged Property, unless the clean-up, containment, remediation or removal thereof or the restoration of such other property is either required in connection with any Environmental Enforcement Action or is necessary to prevent the migration of Hazardous Materials from such other property to the Mortgaged Property. The Grantor acknowledges and agrees that its obligations pursuant to the provisions hereof are in addition to any and all other legal liabilities and responsibilities (at law or in equity) that the Grantor may otherwise have as an "owner" or "operator" of the Mortgaged Property or a "responsible party" within the meaning of any of the Environmental Laws, as the case may be.

The indemnity provisions of this section 6.2 shall survive the payment and performance of the obligations under the Bonds and the Bond Documents, the discharge of this Mortgage and/or the foreclosure of this Mortgage (or deed in lieu thereof).

Section 6.3 Site Assessments. The Beneficiary (by their respective officers, employees and agents) and the respective successor and assignees of such parties at any time and from time to time, either prior to or after the occurrence of an Event of Default, may contract for the services of persons (the "Site Reviewers") to perform environmental site assessments ("Site

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Assessments") on the Mortgaged Property for the purpose of determining whether there exists on the Mortgaged Property any environmental condition which could reasonably be expected to result in any liability, cost, or expense to the owner, occupier or operator of such Mortgaged Property arising under any state, federal or local law, rule or regulation relating to Hazardous Materials. The Site Assessments may be performed at any time or times, upon reasonable notice, and under reasonable conditions established by Grantor which do not impede the performance of the Site Assessments. The Site Reviewers are authorized to enter upon the Mortgaged Property for such purposes. The Site Reviewers are further authorized to perform both above and below the ground testing for environmental damage or the presence of Hazardous Materials on the Mortgaged Property and such other tests on the Mortgaged Property as may be necessary to conduct the Site Assessments in the reasonable opinion of the Site Reviewers. Grantor will supply to the Site Reviewers such historical and operations information regarding the Mortgaged Property as may be reasonably requested by the Site Reviewers to facilitate the Site Assessments and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. On request, the Beneficiary shall make the results of such Site Assessments fully available to Grantor, which (prior to an Event of Default hereunder) may, at Grantor's election, participate under reasonable procedures in the direction of such Site Assessments and the description of tasks of the Site Reviewers. The cost of performing such Site Assessments shall be paid by Grantor upon demand of the Beneficiary, and any such obligations shall be indebtedness secured by this Mortgage.

ARTICLE 7

Security Agreement

Section 7.1 Security Interests. As security for the prompt and complete payment and performance when due of all the Obligations, Grantor does hereby grant and assign to the Beneficiary, its successors and assigns and all other holders from time to time of the Obligations, a continuing security interest upon all of its right, title and interest in and to the Collateral, together with any and all additions and accessions thereto and replacements, products and proceeds thereof, whether now existing or hereafter arising or acquired and wherever located.

Section 7.2. General Representations, Warranties and Covenants. Grantor represents, warrants and covenants, which representations, warranties and covenants shall survive execution and delivery of this Agreement, as follows:

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(a) Each of the warranties and representations of Grantor contained herein or in the Security Documents and otherwise in writing in connection herewith or therewith are true and correct on the date hereof.

(b) Except for Permitted Encumbrances, Grantor is, and as to the Collateral acquired from time to time after the date hereof Grantor will be, the owner of all the Collateral free from any lien, security interest, encumbrance or other right, title or interest of any Person, except for the security interest of the Beneficiary therein, and Grantor shall defend the Collateral against all claims and demands of all Persons at any time claiming the same or any interest therein adverse to the Beneficiary. The lien granted in this Agreement by Grantor to the Beneficiary in the Collateral is not prohibited by and does not constitute a default under any agreements or other instruments constituting a part of the Collateral, and no consent is required of any Person to effect such lien which has not been obtained.

(c) Except for Permitted Encumbrances, there is no financing statement (or similar statement or instrument of registration under the law of any jurisdiction) now on file or registered in any public office covering any interest of any kind in the Collateral, or intended so to be, which has not been terminated, and so long as this Agreement remains in effect or any of the Obligations or any obligations of any Affiliate of Grantor to the Beneficiary remain unpaid, Grantor will not execute and there will not be on file in any public office any financing statement (or similar statement or instrument of registration under the law of any jurisdiction) or statements relating to the Collateral, except financing statements filed or to be filed in respect of and covering the security interest of the Beneficiary.

(d) The chief executive offices and chief places of business of Grantor and the location of each facility comprising a portion of the Mortgaged Property are as set forth in Exhibit B hereto and Grantor will not move its chief executive office or its chief place of business or operations except to such new location as Grantor may establish in accordance with this Section 7.2(d). The originals of all documents evidencing Collateral and the only original books of account and records of Grantor relating thereto are, and will continue to be, kept at such chief executive office or the applicable Mortgaged Property, as the case may be, or at such new location as Grantor may establish in accordance with this Section 7.2(d). Grantor shall establish no such new location, nor shall it change its name, until (i) it shall have given to the Beneficiary not less than 45 days' prior written notice of its intention to do so, clearly describing such new name or location (which shall be within the United States of America) and providing such other information in connection therewith as the Beneficiary may reasonably request, and (ii) with respect to such new location, it shall have taken such action, satisfactory to the Beneficiary

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(including, without limitation, all action required by Section 7.4 hereof), to maintain the security interest of the Beneficiary in the Collateral intended to be granted at all times fully perfected and in full force and effect including, without limitation, obtaining of landlord's, warehouseman's or other similar liens with respect to such new location.

(e) All tangible personal property owned on the date hereof by Grantor to be used in connection with the construction, operation or maintenance of the Mortgaged Property, or any portion thereof, is located at the Mortgaged Property or is in transit to the Mortgaged Property from the vendor thereof. Grantor agrees that (i) subject to Section 6.24 of the Loan Agreement relating to permitted transfers of the Mortgaged Property, all such property held by Grantor on the date hereof, once at the Mortgaged Property, shall remain at the Mortgaged Property and (ii) all such property subsequently acquired by Grantor shall immediately upon acquisition be transferred to and remain at the Mortgaged Property.

(f) The corporate name of Grantor is as set forth on the signature page hereto. The name under which the property located at each Mortgaged Property is operated is set forth on Exhibit C hereto. Grantor shall not further change such names, conduct its business in any other name or take title to any collateral in any other name while this Mortgage remains in effect, except in compliance with Section 7.2(d) hereof. Except as otherwise set forth on Exhibit C, Grantor has not ever had any other name nor conducted business in any other name in any jurisdiction.

(g) At Grantor's own expense, Grantor will: (i) without limiting the provisions of this Agreement and the other Bond Documents keep the Collateral fully insured as required pursuant to the Loan Agreement and (ii) promptly deliver the insurance policies or certificates thereof to the Beneficiary to the extent required by the Loan Agreement.

(h) The Beneficiary is authorized (but is under no obligation) to make, upon ten Business Days' notice to Grantor (except in the case of exigent circumstances, in which circumstances upon such notice, if any, as may then be reasonably practical), any payments which in the Beneficiary's opinion are necessary to:

- (i) discharge any liens which have or may take priority over the lien hereof; and
- (ii) pay all premiums payable on the insurance policies referred to herein, in the Mortgage or in any other Security Document, upon the failure of Grantor to make such payments within the time permitted therein.

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Grantor shall have no claim against the Beneficiary by reason of its decision not to make any payments or perform such obligations permitted under this Section 7.2(h). Grantor shall repay to the Beneficiary upon demand any sums paid by the Beneficiary.

Any sums paid and expenses incurred by the Beneficiary pursuant to this paragraph shall bear per annum interest at the highest rate on any Bonds plus two percent (2%).

(i) If any of the Collateral at any time becomes evidenced by an Instrument, Grantor will promptly deliver such Instrument to the Beneficiary, appropriately endorsed to the order of the Beneficiary, to be held pursuant to this Mortgage.

(j) Grantor will not sell, transfer, change the registration, if any, of, dispose of, attempt to dispose of, or substantially modify or abandon the Collateral or any material part thereof, other than as expressly permitted in the Loan Agreement. Grantor will not create, incur, assume or suffer to exist any lien upon any of the Collateral other than Permitted Encumbrances or as expressly permitted by the Loan Agreement without the prior written consent of the Beneficiary.

(k) Grantor will upon demand pay to the Beneficiary the amount of any and all reasonable expenses, including the reasonable fees and expenses of its counsel and of any experts and agents, which the Beneficiary may incur in connection with (i) the administration of this Mortgage, (ii) the custody or preservation of, or the sale of, collection from, or other realization upon, any of the Collateral, (iii) the exercise or enforcement of any of the rights of the Beneficiary hereunder under any other documents contemplated by or referred to or (iv) the failure by Grantor to perform or observe any of the provisions hereof.

(l) Grantor hereby agrees to indemnify the Beneficiary for, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, reasonable costs and expenses or disbursements of any kind and nature whatsoever which may be imposed on, incurred by or asserted against the Beneficiary in any way relating to or arising out of this Mortgage or arising out of Grantor's obligations under any other documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or the enforcement of any of the terms hereof or of any such other documents.

(m) Grantor has full corporate power, authority and legal right to pledge and grant a security interest in all the Collateral pursuant to this Mortgage, and this Mortgage constitutes the legal, valid and binding obligation of Grantor, enforceable against Grantor in accordance with its

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(n) No consent of any other party (including, without limitation, stockholders or creditors of Grantor or any account debtor under a receivable) and no consent, authorization, approval, or other action by, and no notice to or filing with, any governmental authority (other than a court in connection with the exercise of judicial remedies by Beneficiary) or regulatory body is required either (x) for the pledge by Grantor of the Collateral pursuant to this Mortgage, or for the execution, delivery or performance of this Mortgage by Grantor or (y) for the exercise by Beneficiary of the rights provided for in this Mortgage or the remedies in respect of the Collateral pursuant to this Mortgage.

(o) If the Beneficiary so requests, Grantor agrees to (i) execute and deliver to Beneficiary from time to time assignments of such Grantor's right to receive payment under all the Collateral to the extent it constitutes Government-Related Collateral, together with proof that such Grantor has filed all requisite notices of assignment and such other instruments of assignment, if any, with the proper governmental authorities, and (ii) execute and deliver such other instruments and take such further steps relating to the Collateral and other rights covered by the security interest hereby granted, which Beneficiary deems appropriate or advisable to perfect, preserve or protect its security interest in the Government-Related Collateral under the Federal Assignment of Claims Act and the rules and regulations thereunder. This Mortgage shall constitute an "instrument of assignment" as that term is used in the Federal Assignment of Claims Act.

Section 7.3. Special Provisions Concerning Equipment and Real Property. Grantor will do nothing to impair the rights of the Beneficiary in the Equipment except for transfers in accordance with the Loan Agreement. Regardless of the manner of the affixation of any Equipment to real property, the Equipment so attached at all times shall be deemed to constitute and remain personal property. Grantor retains all liability and responsibility in connection with the Equipment and the liability of Grantor to pay the Obligations shall in no way be affected or diminished by reason of the fact that such Equipment may be lost, destroyed, stolen or damaged or for any reason whatsoever have become unavailable to Grantor. Upon request of the Beneficiary, Grantor shall provide to the Beneficiary a current list of Equipment.

Section 7.4. Financing Statements: Documentary Stamp Taxes.

(a) Grantor will, at its own expense, make, execute, endorse, acknowledge, file and/or deliver to the Beneficiary from time to time such lists, descriptions and designations of inventory, warehouse receipts, bills of lading, documents of title, vouchers, invoices, schedules, confirmatory assignments, conveyances, financing statements, transfer endorsements, powers of attorney, certificates, certificates of title, reports and other assurances or instruments and take such further steps relating to the

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Collateral and other property or rights covered by the security interest hereby granted, which the Beneficiary reasonably deems appropriate or advisable to perfect, preserve or protect its security interest in the Collateral. Grantor authorizes the Beneficiary to file any such financing statements without the signature of Grantor and Grantor will pay all applicable filing fees and related expenses. To the extent permitted by law, a carbon, photographic or other reproduction of this Mortgage or a financing statement shall be sufficient as a financing statement.

(b) Grantor agrees to procure, pay for, affix to any and all documents and cancel any documentary tax stamps required by and in accordance with, applicable law, and Grantor will indemnify and hold the Beneficiary harmless against any liability (including interest and penalties) in respect of such documentary stamp taxes.

Section 7.5. Remedies.

(a) Upon the occurrence of an Event of Default and during the continuance thereof and subject to the terms of any applicable Intercreditor Agreement executed pursuant to Section 3.2(c) of the Loan Agreement, in addition to any rights and remedies now or hereafter granted or permitted under applicable law or under the Bond Documents and not by way of limitation of any such rights and remedies, the Beneficiary shall have all of the rights and remedies of a secured party under the Uniform Commercial Code as enacted in any applicable jurisdiction, and the Beneficiary shall have these remedies to the extent permitted under applicable law and shall have any other remedies available under applicable law, and the right, without notice to, or assent by, Grantor, in the name of Grantor or in the name of the Beneficiary or otherwise:

- (i) with respect to the Gross Revenues to ask for, demand, collect, receive, compound and give acquittance therefor or any part thereof, to extend the time of payment of, compromise or settle for cash, credit or otherwise, and upon any terms and conditions, any thereof, to endorse the name of Grantor on any checks, drafts or other orders or instruments for the payment of moneys payable to Grantor which shall be issued in respect thereof, to exercise and enforce any rights and remedies in respect thereof, to file any claims, commence, maintain or discontinue any actions, suits or other proceedings deemed by the Beneficiary necessary or advisable for the purpose of collecting or enforcing payment and performance thereof, to make test verifications thereof or any portion thereof, to notify any or all account debtors thereunder to make payment thereof directly to the Beneficiary for the account of the Beneficiary and to require Grantor to forthwith give similar notice to the account debtors, and to require Grantor forthwith to account for and transmit to the Beneficiary in the same

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form as received all proceeds (other than physical property) of collection thereof received by Grantor and, until so transmitted, to hold the same in trust for the Beneficiary and not commingle such proceeds with any other funds of Grantor;

- (ii) to take possession of any or all of the Collateral and to use, hold, store, operate, merge and/or control the same and to exclude Grantor and all Persons claiming under it wholly or partly therefrom, and, for that purpose, to enter, with the aid and assistance of any Person or Persons and with or without legal process, any premises where the Collateral, or any part thereof, are, or may be, placed or assembled, and to remove any of such Collateral;
- (iii) from time to time, at the expense of, the Grantor, to make all such repairs, replacements, alterations, additions and improvements to and of the Collateral as the Beneficiary may reasonably deem proper; to carry on the business and to exercise all rights and powers of the Grantor in respect to the Collateral, as the Beneficiary shall deem best, including the right to enter into any and all such agreements with respect to the leasing, management and/or operation of the Collateral or any part thereof as the Beneficiary may see fit; to collect and receive all rents, issues, profits, fees, revenues and other income of the same and every part thereof which rents, issues, profits, fees, revenues and other Income may be applied to pay the expenses of holding and operating the Collateral and of conducting the business thereof, and of all maintenance, repairs, replacements, alterations, additions and improvements, and to make all payments which the Beneficiary may be required or may elect to make, if any, for taxes, assessments, insurance and other charges upon the Collateral or any part thereof, and all other payments which the Beneficiary may be required or authorized to make under any provision of this Agreement (including reasonable legal costs and attorneys' fees);
- (iv) to execute any instrument and do all other things necessary and proper to protect and preserve and realize upon the Collateral and the other rights contemplated hereby;
- (v) upon notice to such effect, to require Grantor to deliver, at Grantor's expense, any or all Collateral which is reasonably movable to the Beneficiary at a place designated by the Beneficiary, and after delivery thereof Grantor shall have no further claim to or interest in the Collateral;

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- (vi) to be entitled to assemble all or any portion of the Collateral and/or require the Grantor to assemble all or a portion of the Collateral and make it available at any place the Beneficiary may designate; and
- (vii) without obligation to resort to other security, at any time and from time to time, to sell, re-sell, assign and deliver all or any of the Collateral, in one or more parcels at the same or different times, and all right, title and interest, claim and demand therein and right of redemption thereof, at public or private sale, for cash, upon credit or for future delivery, and at such price or prices and on such terms as the Beneficiary may determine, with the amounts realized from any such sale to be applied in the manner set forth in Section 5.2 of the Loan Agreement and Section 6.11 of the Trust Indenture to the Obligations in the manner determined by the Beneficiary.

Grantor hereby agrees that all of the foregoing may be effected without demand, advertisement or notice (except as herein provided or as may be required by law), all of which (except as hereinafter provided) are hereby expressly waived, to the extent permitted by law. The Beneficiary shall not be obligated to do any of the acts hereinabove authorized and in the event that the Beneficiary elects to do any such act, the Beneficiary shall not be responsible to Grantor.

(b) Upon the occurrence of an Event of Default, the Beneficiary may take legal proceedings for the appointment of a receiver or receivers (to which the Beneficiary shall be entitled as a matter of right) to take possession of the Collateral pending the sale thereof pursuant either to the powers of sale granted by this Mortgage or to a judgment, order or decree made in any judicial proceeding for the foreclosure or involving the enforcement of this Mortgage. If, after the exercise of any or all of such rights and remedies in accordance with section 7.5(d) below, any of the Obligations shall remain unpaid, Grantor shall remain liable for any deficiency.

(c) Upon any sale of any of the Collateral, whether made under the power of sale hereby given or under judgment, order or decree in any judicial proceeding for the foreclosure or involving the enforcement of this Mortgage:

- (i) the Beneficiary may bid for and purchase the property being sold and, upon compliance with the terms of sale, may hold, retain and possess and dispose of such property in its own absolute right without further accountability, and may, in paying the purchase money therefor, deliver any instruments evidencing the Obligations or agree to

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the satisfaction of all or a portion of the Obligations in lieu of cash in payment of the amount which shall be payable thereon, and such instruments, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Beneficiary after being appropriately stamped to show partial payment;

(ii) the Beneficiary may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold;

(iii) the Beneficiary is hereby irrevocably appointed the true and lawful attorney-in-fact of Grantor in its name and stead, to make all necessary deeds, bills of sale and instruments of assignment and transfer of the property thus sold and for such other purposes as are necessary or desirable to effectuate the provisions (including, without limitation, of this Section 7.5) of this Mortgage, and for that purpose it may execute and deliver all necessary deeds, bills of sale and instruments of assignment and transfer, and may substitute one or more Persons with like power, Grantor hereby ratifying and confirming all that its said attorney, or such substitute or substitutes, shall lawfully do by virtue hereof; but if so requested by the Beneficiary or by any purchaser, Grantor shall ratify and confirm any such sale or transfer by executing and delivering to the Beneficiary or to such purchaser all property, deeds, bills of sale, instruments or assignment and transfer and releases as may be designated in any such request;

(iv) all right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, of Grantor of, in and to the collateral so sold shall be divested; such sale shall be a perpetual bar both at law and in equity against Grantor, its successors and assigns, and against any and all Persons claiming or who may claim the collateral sold or any part thereof from, through or under Grantor, its successors or assigns;

(v) the receipt of the Beneficiary or of the officer thereof making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money, and such purchaser or purchasers, and his or their assigns

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or personal representatives, shall not, after paying such purchase money and receiving such receipt of the Beneficiary or of such officer therefor, be obliged to see to the application of such purchase money or be in any way answerable for any loss, misapplication or nonapplication thereof; and

- (vi) to the extent that it may lawfully do so, Grantor agrees that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take advantage of, any appraisement, valuation, stay, extension or redemption laws, or any law permitting it to direct the order in which the Collateral or any part thereof shall be sold, now or at any time hereafter in force, which may delay, prevent or otherwise affect the performance or enforcement of this Mortgage or any of the other Bond Documents, and Grantor hereby expressly waives all benefit or advantage of any such laws and covenants that it will not hinder, delay or impede the execution of any power granted or delegated to the Beneficiary in this Mortgage, but will suffer and permit the execution of every such power as though no such laws were in force.

Grantor agrees that, to the extent notice of sale shall be required by law with respect to personal property that constitutes collateral, 10 days' notice from Beneficiary of the time and place of any public sale or of the time after which a private sale or other intended disposition is to take place shall be commercially reasonable notification of such matters. No notification need be given to Grantor if it has signed, after the occurrence of an Event of Default, a statement renouncing or modifying any right to notification of sale or other intended disposition.

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(d) Remedies Subject to Applicable Law. All rights, remedies, and powers provided by this Mortgage may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Mortgage are intended to be subject to all applicable mandatory provisions of law that may be controlling in the premises and to be limited to the extent necessary so that they would not render this Mortgage invalid, unenforceable, or not entitled to be recorded, registered, or filed under the provisions of any applicable law.

Section 7.6. Application of Proceeds. The Mortgage Trustee shall deliver to the Trustee the proceeds of any such sale for appreciation and in accordance with Section 6.11 of the Trust Indenture.

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Section 7.7. Further Assurances as to Collateral; Attorney-in-Fact. From time to time hereafter, Grantor will execute and deliver, or will cause to be executed and delivered, such additional instruments, certificates or documents (including without limitation financing statements, renewal statements, mortgages, collateral assignments and other security documents), and will take all such actions, as the Beneficiary may reasonably request, for the purposes of implementing or effectuating the provisions of this Mortgage or of more fully perfecting or renewing the Beneficiary's rights with respect to the Collateral (or with respect to any additions thereto from replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by Grantor which may be deemed to be a part of the Collateral) pursuant hereto and thereto. The Beneficiary is hereby appointed the attorney-in-fact with full power of substitution, of Grantor for the purpose of carrying out the provisions of this Mortgage and taking any action, including, without limitation, executing, delivering and filing applications, certificates, instruments and other documents and papers with governmental authorities, and executing any instruments, including without limitation financing or continuation statements, deeds to secure debt, mortgages, assignments, conveyances, assignments and transfers which are required to be taken or executed by the Grantor under this Mortgage, on its behalf and in its name which appointment is coupled with an interest, is irrevocable and durable and shall survive the subsequent dissolution, disability or incapacity of Grantor.

ARTICLE 8

General

Section 8.1 Right of Trustee to Direct Remedies. The Trustee shall have the exclusive right to direct remedies hereunder in accordance with the Trust Indenture. The Mortgage Trustee is entitled to all the rights and protections (including, without limitation, the right to receive indemnification satisfactory to it prior to taking any actions) provided to the Trustee under the Trust Indenture.

Section 8.2 Notices.

(a) All notices, demands, or other communications required by or made pursuant to this Mortgage shall be in writing and given by registered or certified mail, return receipt requested, postage prepaid, or by overnight delivery, addressed as follows:

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(i) if to the Grantor:

Near North Health Service Corporation
1276 North Clybourn Avenue
Chicago, Illinois 60610
Attention: Chief Financial Officer

(ii) with a copy to:

William A. Miceli, Esq.
Miner, Barnhill & Galland, P.C.
14 West Erie Street
Chicago, Illinois 60610

(iii) if to the Mortgage Trustee:

American National Bank and
Trust Company of Chicago
13th Floor
33 North LaSalle Street
Chicago, Illinois 60690
Attention: Corporate Trust Division

(iv) if to the Trustee, as a Beneficiary:

American National Bank and
Trust Company of Chicago
13th Floor
33 North LaSalle Street
Chicago, Illinois 60690
Attention: Corporate Trust Division

(iv) if to the Authority:

Illinois Development Finance Authority
233 South Wacker Drive
Suite 5310
Chicago, Illinois 60606
Attention: Executive Director
with a copy to that address,
Attention: Legal Department

(b) The parties may designate in writing any further or different addresses to which subsequent notices of other communications may be sent.

(c) Any communication delivered by mail in compliance with this Section shall be deemed given as of the date of deposit in the mail.

(d) Any provisions of this Mortgage that provides for a specific method of giving notice or otherwise conflicts with this Section supersedes this Section to the extent of the conflict.

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Section 8.3 Extension, Rearrangement or Renewal of Indebtedness.

(a) Any of the Indebtedness at any time secured hereby, at the Beneficiary's discretion, may be extended from times to time for any period, rearranged or renewed, and any part of the security herein described, or any other security for the Indebtedness, may be waived or released without in any way altering, varying or diminishing the force, effect or lien and security interest granted by this Mortgage shall continue as a prior lien and security interest on the entire Mortgaged Property and Collateral not expressly released until all of the Indebtedness is fully paid.

(b) No other security now existing or hereafter taken to secure the Indebtedness or any part thereof or the performance of any obligation or liability whatever shall in any manner impair or affect the security given by this Mortgage.

(c) All security for the Indebtedness or any part thereof and the performance of any obligation or liability shall be taken, considered and held as cumulative.

Section 8.4 Tenants at Sufferance.

(a) The Grantor agrees for itself and any and all persons or concerns claiming by, through or under the Grantor, that if the Grantor holds possession of the Mortgaged Property or the Collateral or any part thereof subsequent to foreclosure hereunder, the Grantor, or the parties so holding possession, shall become and be considered as tenants at will of the purchaser or purchasers at such foreclosure sale.

(b) Any tenant claiming any interest in the Mortgaged Property or the Collateral subsequent to foreclosure by or through the Grantor who does not surrender possession upon demand shall be:

- (i) guilty of forcible detainer;
- (ii) liable to such purchaser or purchasers for twice the reasonable rental on such premises; and
- (iii) subject to eviction and removal, forcible or otherwise, with or without process of law.

(c) All damages that may be sustained by any tenant maintaining possession of the Mortgaged Property or Collateral after foreclosure are expressly waived.

Section 8.5 Waiver of Stay or Extension.

(a) The Grantor will not claim or benefit from any advantage of:

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(i) any stay or extension law now or at any time hereafter in force in any locality where the Mortgaged Property or Collateral or any part thereof is situated; or

(ii) any law now or hereafter in force providing for the valuation or appraisal of the Mortgaged Property or Collateral prior to any sale thereof to be made pursuant to this Mortgage or pursuant to any decree of any court of competent jurisdiction.

(b) After any sale, the Grantor will not claim or exercise any right conferred by any law now or at any time hereafter in force to redeem the property sold or any part thereof.

(c) The Grantor will not hinder, delay or impede the execution of any power herein granted and delegated to the Mortgage Trustee or the Beneficiary.

Section 8.6 Waivers, Etc. To the extent permitted by law, the Grantor, on its own behalf and on behalf of its successors and assigns, hereby waives presentment, demand, notice, protest and, except as is otherwise specifically provided herein, all other demands and notices in connection with this Mortgage or the enforcement of the rights of the Beneficiary hereunder; waives all rights to require a marshaling of assets by the Beneficiary; consents to and waives notice of (i) the granting of renewals, extensions of time for payment or other indulgences to any account debtor in respect of any account receivable, (ii) substitution, release or surrender of any Collateral, (iii) the addition or release of Persons primarily or secondarily liable on any Obligation or on any account receivable or other Collateral, (iv) the acceptance of partial payments on any account or note receivable or other Collateral and/or the settlement or compromise thereof, (v) any requirement of diligence or promptness on the part of the Beneficiary in the enforcement of any rights in respect of any Collateral or any other agreement or instrument directly or indirectly relating thereto, and (vi) any enforcement of any present or future agreement or instrument relating directly or indirectly to the Collateral. No delay or omission on the part of the Beneficiary or any holder of Obligations in exercising any right hereunder shall operate as a waiver of such right or of any other right hereunder. No waiver of any such right on any one occasion shall be construed as a bar to or waiver of any such right on any future occasion. No course of dealing between Grantor and the Beneficiary or any holder of Obligations, nor any failure to exercise, nor any delay in exercising, on the part of the Beneficiary or any holder of Obligations, any right, power or privilege hereunder or under any of the Obligations, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof, or the exercise of any other right, power or privilege.

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Grantor further waives any right it may have under the constitution of any state in which any of the Collateral may be located, to notice (except for notice specifically required hereby) or to a judicial hearing prior to the exercise of any right or remedy provided by this Mortgage to the Beneficiary, and waives its rights, if any, to set aside or invalidate any sale duly consummated in accordance with the foregoing provisions hereof on the grounds (if such be the case) that the sale was consummated without a prior judicial hearing. THE GRANTOR'S WAIVERS UNDER THIS ARTICLE 8 HAVE BEEN MADE VOLUNTARILY, INTELLIGENTLY AND KNOWINGLY AND AFTER THE Grantor HAS BEEN APPRISED AND COUNSELED BY ITS ATTORNEYS AS TO THE NATURE THEREOF AND ITS POSSIBLE ALTERNATIVE RIGHTS.

Section 8.7 Miscellaneous.

(a) To the extent permitted by law, Grantor agrees that its obligations and the rights of the Beneficiary hereunder and in respect of the Obligations may be enforced by specific performance hereof and thereof and by temporary, preliminary and/or final injunctive relief relating hereto and thereto, without necessity for proof by the Beneficiary or any holder of the Obligations that it would otherwise suffer irreparable harm, and Grantor hereby consents to the issuance of such specific and injunctive relief.

(b) Any notice or demand upon Grantor or the Beneficiary shall be deemed to have been sufficiently given when given in accordance with the provisions of this Mortgage.

(c) None of the terms and conditions of this Mortgage may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by Grantor and the Beneficiary. No notice to or demand on Grantor in any case shall entitle Grantor to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Beneficiary to any other or further action in any circumstances without notice or demand.

(d) The obligations of Grantor hereunder shall remain in full force and effect without regard to, and shall not be impaired by, (i) any bankruptcy, insolvency, reorganization, arrangement, readjustment, composition, liquidation or the like of Grantor; (ii) any exercise or non-exercise, or any waiver of, any right, remedy, power or privilege under or in respect of this Agreement, the Bond Documents, the Obligations or any security for any of the Obligations; or (iii) any amendment to or modification of this Mortgage, the Bond Documents, the Obligations or any security for any of the Obligations; whether or not Grantor shall have notice or knowledge of any of the foregoing. The rights and remedies of the Beneficiary herein provided for are cumulative and not exclusive of any rights or remedies which the Beneficiary would otherwise have, including without limitation under the Bond Documents. This

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Agreement is intended as a supplement for and is not intended to supersede in any respect any of the Bond Documents.

(e) This Mortgage shall be binding upon Grantor and its successors and assigns and shall inure to the benefit of the Beneficiary, and its respective successors and assigns. All agreements, representations and warranties made herein shall survive the execution and delivery of this Mortgage.

(f) The descriptive headings of the several sections of this Mortgage are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

(g) Any provision of this Mortgage which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibitions or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(h) This Mortgage and the rights and obligations of the parties hereunder shall be construed in accordance with and be governed by the laws of Illinois, except to the extent that matters of title, or creation, perfection and priority of the security interests created hereby, or procedural issues of foreclosure are required to be governed by the laws of the state in which the Collateral, or relevant part thereof, is located.

Section 8.8 Cumulative Remedies; Delay or Omission Not a Waiver. Each remedy or right of Mortgage Trustee shall not be exclusive of but shall in addition to every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise or omission to exercise any remedy or right accruing on the occurrence or existence of any Event of Default shall impair any such remedy or right or be construed to be a waiver of any such Event of Default or acquiescence therein, nor shall it affect any subsequent Event of Default of the same or different nature. Every such remedy or right may be exercised concurrently or independently and when and as often as may be deemed expedient by Mortgage Trustee

Section 8.9 Severability. If any clause, provision or section of this Mortgage is ruled invalid or unenforceable by a court of competent jurisdiction, the invalidity or unenforceability thereof shall not affect any of the remaining clauses, provisions or sections hereof.

Section 8.10 Amendment. This Mortgage may be amended only by an instrument in writing signed by the duly authorized representative of the Grantor and of (1) the Beneficiary, and (2)

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if the amendment would adversely affect the interests of the Bondholders under the Trust Indenture, as determined by the Trustee, the Trustee acting at the Bondholders' direction in accordance with the Trust Indenture.

Section 8.11 Applicable Law. This Mortgage shall be governed in all respects, whether as to validity, construction, performance or otherwise, by the laws of the State of Illinois and, if applicable, Federal law.

Section 8.12 Survival of Provisions. The provisions of Article VI shall survive the payment of all Indebtedness secured hereby and the discharge of the Mortgage.

IN WITNESS WHEREOF, the Grantor has caused this Mortgage to be executed in its name by its duly Authorized Officers and to be and has caused its respective corporate seal to be hereunto affixed and attested by its duly Authorized Officers, all as of the date and year specified above.

NEAR NORTH HEALTH SERVICE CORPORATION, an
Illinois not for profit corporation,
Grantor

[SEAL]

By: William Moorhead
Chairman

ATTEST:

Secretary

© 1988 Mortgage

Prepared by and after recording mail to:

John Sym, Esq.
Mintz, Levin, Cohn, Ferris, Glovsky & Popeo
One Financial Center
Boston, MA 02111

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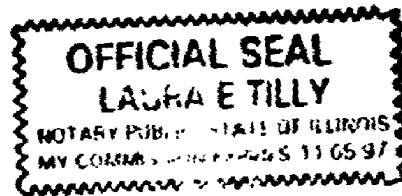
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STATE OF ILLINOIS :
: SS.
COUNTY OF COOK :

On this, the 7 th day of July, 1997, before me, the undersigned notary public, personally appeared William Moorehead, who acknowledged himself to be Chairman of the Board of Directors of NEAR NORTH HEALTH SERVICE CORPORATION, an Illinois not for profit corporation, and that he as such officer, being authorized to do so, executed the foregoing Mortgage and Security Agreement for the purposes therein contained by signing the name of such entity by himself as such officer.

IN WITNESS WHEREOF, I hereunder set my hand and official seal.

L. E. Tilly
Notary Public



My Commission Expires: _____

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EXHIBIT A
to
MORTGAGE AND SECURITY AGREEMENT

Description of Project

- (1) Renovation of a portion of the Winfield Moody Center located at 1276 N. Clybourn Avenue, Chicago, Illinois to be used as a facility to provide medical and social services to indigent residents of the area;
- (2) Acquisition and construction of a new facility to be located in the vicinity of 43rd and Cottage Grove, Chicago, Illinois to be used as a new clinic providing medical and social services to indigent residents of the area;
- (3) Construction of a new addition adjacent to the Winfield Moody Center;
- (4) Refinancing of a taxable note secured by the current Winfield Moody Center and used to construct, acquire and equip the Winfield Moody Center.

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EXHIBIT B
to
MORTGAGE AND SECURITY AGREEMENT

Metes and Bounds Legal Description of Project Site

PARCEL 1:

LOTS 1, 2, 3 AND 4 (EXCEPT THE SOUTHEASTERLY 1 FOOT OF SAID LOT 4) IN THE SUBDIVISION OF LOTS 52 AND 54 IN BUTTERFIELDS ADDITION TO CHICAGO (EXCEPTING FROM SAID LOTS 2 AND 3 THAT PART THEREOF DESCRIBED AS COMMENCING AT THE SOUTH WEST CORNER OF SAID LOT 2; THENCE NORTHEASTERLY ALONG THE WESTERLY LINE OF SAID SUBDIVISION LOT 2, 84 FEET 1 1/2 INCHES MORE OR LESS TO THE SOUTHWESTERLY FACE OF THE WALL OF THE TWO STORY BRICK BUILDING; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY FACE OF SAID BRICK WALL AND SAID LINE CONTINUING IN THE SAME DIRECTION TO THE SOUTHEASTERLY LINE OF SAID LOT 3; THENCE SOUTHWESTERLY ALONG THE SOUTHEASTERLY LINE OF LOT 3, A DISTANCE OF 65 FEET 10 1/2 INCHES MORE OR LESS TO THE SOUTHEASTERLY CORNER OF SAID LOT 3 AND THENCE NORTHWESTERLY IN A STRAIGHT LINE ALONG THE NORTHERLY LINE OF VEDDER STREET 47 FEET 8 7/8 INCHES MORE OR LESS TO THE POINT OF BEGINNING;

ALSO:

PARCEL 2:

THE SOUTH EAST 18 INCHES OF LOT 9 AND ALL OF LOTS 10, 11, 12, 13 AND 14 IN THE RESUBDIVISION BY ALFRED L. RICHON OF THE SOUTH EAST 20 FEET OF SUB LOT 2 AND ALL OF SUB LOTS 3 TO 28 INCLUSIVE IN THE SUBDIVISION OF LOTS 56, 58, 60 AND 62 IN BUTTERFIELDS ADDITION AFORESAID TOGETHER WITH THE PRIVATE ALLEY SOUTHEASTERLY OF AND ADJOINING SAID SUB LOTS;

ALSO:

PARCEL 3:

ALL OF LOT 8 AND LOT 9 (EXCEPT SOUTHEASTERLY 18 INCHES THEREOF) IN RESUBDIVISION OF THE SOUTH EAST 20 FEET OF SUB LOT 2 AND ALL OF LOTS 3 TO 28 INCLUSIVE IN SUB OF LOTS 56, 58, 60 AND 62 AND PRIVATE ALLEY SOUTHEAST AND ADJOINING ABOVE LOTS, ALL BEING IN BUTTERFIELDS ADDITION TO CHICAGO, BEING A SUBDIVISION OF THE WEST 1/2 OF THE NORTH WEST 1/4 AND THE SOUTH EAST 1/4 OF THE NORTH WEST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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EXHIBIT C
to
MORTGAGE AND SECURITY AGREEMENT

Environmental Survey is attached.

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