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SECOND SUPPLEMENTAL MORTGAGE AND SECURITY AGREEMENT

Dated as of January 1, 1998

COLUMBIA COLLEGE CHICAGO (formerly known as Columbia College)  
Mortgagor

AND

ILLINOIS EDUCATIONAL FACILITIES AUTHORITY  
Mortgagee

COLUMBIA COLLEGE CHICAGO  
FIRST MORTGAGE NOTES

The rights of the Illinois Educational Facilities Authority hereunder have been assigned to First Trust National Association (successor to Continental Bank, National Association), as Trustee under a Trust Indenture dated as of June 1, 1992, as supplemented and amended by a First Supplemental Trust Indenture dated as of February 1, 1993 and a Second Supplemental Trust Indenture dated as of January 1, 1998, from the Illinois Educational Facilities Authority.

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**SECOND SUPPLEMENTAL MORTGAGE AND SECURITY AGREEMENT**

This is a SECOND SUPPLEMENTAL MORTGAGE AND SECURITY AGREEMENT dated as of January 1, 1998 (this "Second Supplemental Mortgage," and together with the hereinafter referred to Existing Mortgage, the "Mortgage"), supplementing and amending the Mortgage and Security Agreement dated as of June 1, 1992 (the "Original Mortgage") and the First Supplemental Mortgage and Security Agreement dated as of February 1, 1993 (the "First Supplemental Mortgage," and together with the Original Mortgage, the "Existing Mortgage"), between COLUMBIA COLLEGE CHICAGO (formerly known as Columbia College), an Illinois not for profit corporation (the "College"), as Mortgagor, and the ILLINOIS EDUCATIONAL FACILITIES AUTHORITY (the "Authority"), a body politic and corporate constituting a public instrumentality created and existing under and by virtue of the Illinois Educational Facilities Authority Act, as amended (the "Act"), as Mortgagee.

**PRELIMINARY STATEMENT**

The College and the Authority have heretofore entered into the Existing Mortgage encumbering the real estate described in *Exhibit A* attached hereto and made a part hereof pursuant to which the College issued and sold to the Authority its (A) First Mortgage Note, Series 1992, dated June 1, 1992 (the "Series 1992 Note"), in the principal amount of \$25,605,000 in order to (i) advance refund the Illinois Educational Facilities Authority Revenue Bonds (Columbia College Project), Series 1988 (the "Series 1988 Bonds"), issued in the original aggregate principal amount of \$9,900,000, (ii) finance or refinance the costs of the acquisition, construction, renovation, improvement and equipping of certain of its educational facilities constituting "educational facilities" as defined in the Act and as more fully described in the Original Mortgage, (iii) establish a debt service reserve fund to be held under the Original Indenture, as hereinafter defined, and (iv) pay certain of the costs of issuance of the Series 1992 Bonds, as hereinafter defined, and of the advance refunding of the Series 1988 Bonds, all as permitted by the Act and (B) First Mortgage Note, Series 1993, dated February 15, 1993 (the "Series 1993 Note"), in the principal amount of \$9,515,000 in order to (i) finance or refinance the costs of the acquisition, construction, renovation, improvement and equipping of certain of its educational facilities constituting "educational facilities" as defined in the Act and as more fully described in the First Supplemental Indenture, as hereinafter defined, (ii) establish a debt service reserve fund for the Series 1993 Bonds, and (iii) pay certain costs incurred in connection with the issuance of the Series 1993 Bonds. Pursuant to the Act, the Authority obtained funds for the purchase of the Series 1992 Note through the issuance and sale of its Revenue Refunding Bonds, Columbia College, Series 1992 (the "Series 1992 Bonds"), in the aggregate principal amount of \$25,605,000, which were issued under and secured by a Trust Indenture dated as of June 1, 1992 (the "Original Indenture") from the Authority to First Trust National Association (formerly known as Continental Bank, National Association), as trustee (the "Trustee"). The College secured its obligations on the Series 1992 Note by executing and delivering the Original Mortgage, and the Authority, pursuant to the Original Indenture, pledged and assigned the Series 1992 Note and assigned its rights under the Original Mortgage (with certain limited exceptions) to the Trustee as security for the Series 1992 Bonds. Likewise, pursuant to the Act, the Authority obtained funds for the purchase of the

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Series 1993 Note through the issuance and sale of its Revenue Bonds, Columbia College, Series 1993 (the "Series 1993 Bonds"), in the aggregate principal amount of \$9,515,000, which were issued under and secured by the Original Indenture as supplemented and amended by the First Supplemental Trust Indenture dated as of February 1, 1993 (the "First Supplemental Indenture," and together with the Original Indenture, the "Existing Indenture"), between the Authority and the Trustee. The College secured its obligations on the Series 1993 Note by executing and delivering the First Supplemental Mortgage, and the Authority, pursuant to the First Supplemental Indenture, pledged and assigned the Series 1993 Note and assigned its rights under the First Supplemental Mortgage (with certain limited exceptions) to the Trustee as security for the Series 1993 Bonds.

The Mortgage provides for the issuance and delivery to the Authority of additional parity First Mortgage Notes of the College (the "Additional Notes") for any purpose permitted under the Act. The Original Indenture authorizes the issuance of Additional Bonds (as defined therein) by the Authority to provide funds for the purchase by the Authority of such Additional Notes of the College.

The College desires to: (i) advance refund \$2,800,000 in aggregate principal amount of Series 1992 Bonds maturing on December 1, 2008 and \$9,690,000 in aggregate principal amount of Series 1992 Bonds maturing on December 1, 2017 (collectively, the "Refunded Series 1992 Bonds"), (ii) finance, refinance or reimburse itself for all or a portion of the costs or estimated costs of the acquisition, construction, renovation and equipping of certain of its educational facilities constituting "educational facilities" as defined in the Act and as more fully described in *Exhibit C* attached hereto (the "Series 1998 Project"), (iii) pay a portion of the interest to accrue on the Series 1998 Bonds, (iv) make a deposit to the Debt Service Reserve Fund (as defined in the Indenture), and (v) pay certain costs of issuance of the Series 1998 Bonds, all through the issuance and sale to the Authority pursuant to Section 5.1 of the Existing Mortgage of its First Mortgage Note, Series 1998 (the "Series 1998 Note"), in the principal amount of \$22,385,000, substantially in the form attached hereto as *Exhibit B*.

In order to obtain funds to purchase the Series 1998 Note, the Authority will issue its Revenue Bonds, Columbia College Chicago, Series 1998 (the "Series 1998 Bonds"), in the aggregate principal amount of \$22,385,000 as Additional Bonds pursuant to Section 207 of the Existing Indenture, such Series 1998 Bonds to be issued under and secured by the Existing Indenture, as supplemented and amended by a Second Supplemental Trust Indenture dated as of January 1, 1998 (the "Second Supplemental Indenture" and together with the Existing Indenture, the "Indenture") from the Authority to the Trustee.

In order to permit the Series 1998 Bonds to be marketed at interest rates lower than those available based solely on the credit of the College, the College has requested MBIA Insurance Corporation (the "Bond Insurer") to issue its Series 1998 Bond Insurance Policy (as defined in the Second Supplemental Indenture) securing payment of principal of and interest on the Series 1998 Bonds.

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In connection with the issuance of the Series 1998 Bonds, the College desires to amend the Existing Indenture and the Existing Mortgage to provide that all Bonds issued under the Indenture be secured by a common debt service reserve fund, and the Trustee has received the consent to such amendments from the owners of not less than a majority in aggregate principal amount of all outstanding Bonds, as required by Section 902 of the Original Indenture.

In addition, as a condition to the issuance of the Series 1998 Bond Insurance Policy, the Bond Insurer requires that certain covenants be added to the Existing Mortgage, as supplemented hereby, which are for the sole benefit of the Bond Insurer.

An executed copy of the Original Indenture has been recorded in the office of the Recorder of Deeds of Cook County, Illinois, on July 1, 1992, as Document No. 92478864, an executed copy of the First Supplemental Indenture has been recorded in the office of the Recorder of Deeds of Cook County, Illinois, on March 9, 1993, as Document No. 93174355, an executed copy of the Original Mortgage has been recorded in the office of the Recorder of Deeds of Cook County, Illinois on July 1, 1992, as Document No. 92478863 and an executed copy of the First Supplemental Mortgage has been recorded in the office of the Recorder of Deeds of Cook County, Illinois on March 9, 1993, as Document No. 93174354.

The Series 1992 Note, the Series 1993 Note, the Series 1998 Note, any other Additional Notes and any Notes issued pursuant to the Mortgage in exchange therefor are herein collectively referred to as the "Notes". The College desires to reconvey and confirm the mortgage of, and the security interest created in, the Mortgaged Property described in the Granting Clauses of the Existing Mortgage, and further to secure the Notes and its obligations under the Mortgage, by executing and delivering this Second Supplemental Mortgage, and has taken all necessary action with respect thereto.

#### GRANTING CLAUSES

IN CONSIDERATION of the purchase and acceptance of the Series 1993 Note by the Authority and of other good and valuable consideration, the receipt and sufficiency whereof are hereby acknowledged, and in order to secure the payment of the principal or premium, if any, and interest payable on the Notes and the performance of all the covenants of the College contained in the Mortgage, the College has executed and delivered this Second Supplemental Mortgage and by these presents does hereby reconvey and confirm the mortgage of and the grant of a security interest in the Mortgaged Property described in the Granting Clauses of the Existing Mortgage and does assign, pledge, grant and mortgage, and grant a security interest in, unto the Authority and its successors and assigns, all right, title and interest in, to and under any and all of the following described property:

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## DIVISION I

The fee simple interest in the real estate described in *Exhibit D* attached hereto (whether now owned or hereafter acquired) and all right, title and interest in and to all buildings, structures, improvements and appurtenances now standing, or at any time hereafter constructed, upon such real estate, including all right, title and interest in and to all building material, building equipment and fixtures of every kind and nature whatsoever on said real estate or in any building, structure or improvement now or hereafter constructed on said real estate, and the reversion or reversions, remainder or remainders, in and to said real estate, and together with the entire interest of the College in and to all and singular the tenements, hereditaments, easements, rights of way, rights, privileges and appurtenances to said real estate, belonging or in any wise appertaining thereto, including without limitation all claims or demands whatsoever of the College either at law or in equity, in possession or expectancy of, in and to said real estate, it being the intention of the parties hereto that, so far as may be permitted by law, all property of the character hereinabove described, which is now owned or is hereafter acquired by the College and is constructed on said real estate, shall be and remain or become and constitute a portion of said real estate and the security covered by and subject to the lien of the Mortgage, subject to the terms and conditions of the Mortgage, together with all rents, income, revenues and profits thereof;

SUBJECT, HOWEVER, to Permitted Encumbrances, as defined in Article I of the Original Indenture.

TO HAVE AND TO HOLD all and singular, such property, whether now owned or hereafter acquired, unto the Authority, its successors and assigns forever; provided, however, that the Mortgage (including this Second Supplemental Mortgage) is upon the express condition that if (i) the College shall pay or cause to be paid all indebtedness secured thereby, or shall make arrangements satisfactory to the Trustee for such payment, (ii) provision shall have been made for the satisfaction and discharge of the Indenture as provided therein, and (iii) the College shall keep, perform and observe all and singular the covenants and promises in the Notes and the Mortgage expressed to be kept, performed and observed by the College, then the Mortgage and the rights thereby granted shall cease, determine and be void; otherwise to remain in full force and effect.

The College and the Authority hereby further covenant and agree as follows.

## ARTICLE I

## DEFINITIONS

*Section 1.1. Terms Defined.* Words and terms which are defined in the Original Indenture, the First Supplemental Indenture and the Original Mortgage shall have the same meanings ascribed to them when used herein, unless the context or use indicates a different meaning or intent.

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In addition to the words and terms elsewhere defined in this First Supplemental Mortgage, the following words and terms as used in the Original Mortgage, this First Supplemental Mortgage, the Original Indenture and the First Supplemental Indenture shall have the following meanings unless the context or use indicates another or different meaning or intent:

"*Existing Indenture*" means the Original Indenture as supplemented and amended by the First Supplemental Indenture.

"*Existing Mortgage*" means the Original Mortgage as supplemented and amended by the First Supplemental Mortgage.

"*Indenture*" means the Existing Indenture and the Second Supplemental Indenture, as from time to time supplemented and amended.

"*Mortgage*" means the Existing Mortgage and the Second Supplemental Mortgage, as from time to time supplemented and amended.

"*Original Indenture*" means the Trust Indenture dated as of June 1, 1992, by and between the Authority and the Trustee.

"*Original Mortgage*" means the Mortgage and Security Agreement dated as of June 1, 1992, from the College, as mortgagor, to the Authority, as mortgagee.

"*Second Supplemental Mortgage*" means this instrument.

"*Second Supplemental Indenture*" means the Second Supplemental Trust Indenture dated as of January 1, 1998 by and between the Authority and the Trustee, supplementing and amending the Existing Indenture.

"*Series 1998 Bond*" or "*Series 1998 Bonds*" means one or more of the \$22,385,000 aggregate principal amount of Illinois Educational Facilities Authority Revenue Bonds authorized to be issued by the Authority under Section 207 of the Existing Indenture and Article II of the Second Supplemental Indenture.

"*Series 1998 Project Completion Certificate*" means the certificate to be delivered by the College pursuant to Section 302(C) of the Second Supplemental Indenture after completion of the Series 1998 Project.

"*Series 1998 Note*" means the First Mortgage Note, Series 1998, of the College dated as of January 1, 1998, in the principal amount of \$22,385,000, in substantially the form attached hereto as *Exhibit B*, being issued by the College to the Authority, and then being pledged by the Authority with the Trustee, concurrently with the issuance of the Series 1998 Bonds, and any Note issued pursuant to the Mortgage in exchange or substitution therefor.

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"Series 1998 Project Certificate" means the Certificate Regarding the Financed Properties and Expenditure of Funds dated the date of issuance of the Series 1998 Bonds and delivered by the College with respect to certain tax matters relating to the Series 1998 Bonds.

"Series 1998 Project Fund" means the Fund established pursuant to Section 302 of the First Supplemental Indenture.

"Series 1998 Tax Agreement" means the Tax Exemption Agreement and Certificate delivered by the Authority, the College and the Trustee on the date of issuance of the Series 1998 Bonds, as the same may be amended or supplemented from time to time.

"1014 South Michigan Building" means educational facilities to be acquired by the College located at 1014 South Michigan Avenue in Chicago, Illinois.

*Section 1.2. Rules of Interpretation.* For all purposes of this Second Supplemental Mortgage, except as otherwise expressly provided or unless the context otherwise requires:

(1) "This Second Supplemental Mortgage" means this instrument as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof.

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

(3) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

(4) The terms defined elsewhere in this Second Supplemental Mortgage shall have the meanings therein prescribed for them.

(5) This Second Supplemental Mortgage shall be interpreted and construed in accordance with the laws of the State of Illinois.

*Section 1.3. Exhibits.* The following Exhibits are attached to and by reference made a part of this Mortgage:

EXHIBIT A: Description of Real Estate Contained in Existing Mortgage.

EXHIBIT B: Form of First Mortgage Note, Series 1998.

EXHIBIT C: Description of Series 1998 Project.

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EXHIBIT D: Description of Additional Real Estate.

ARTICLE II

PARTICULAR COVENANTS OF THE COLLEGE

*Section 2.1. Consent to Assignment to Trustee.* The College acknowledges and consents to the pledge and assignment of the Series 1998 Note and the assignment of the Authority's rights hereunder to the Trustee pursuant to the Second Supplemental Indenture, and the Authority agrees that only the Trustee may enforce the rights, remedies and privileges granted to the Authority hereunder other than the rights of the Authority hereunder.

*Section 2.2. Representations and Warranties of the College.* The College represents and warrants as follows:

(a) The College is duly authorized under the laws of the State of Illinois and all other applicable provisions of law and its articles of incorporation and by-laws to create and issue the Series 1998 Note and to execute, deliver and perform this Second Supplemental Mortgage and the Series 1998 Tax Agreement; all action on its part necessary for the valid creation and issuance of the Series 1998 Note and the valid execution and delivery of this Second Supplemental Mortgage and the Series 1998 Tax Agreement has been duly and effectively taken; and the Series 1998 Note in the hands of the holder thereof will be the legal and valid obligation of the College.

(b) The College is a "private institution of higher education," as defined in the Act.

(c) The recitals of fact and statements contained in this Second Supplemental Mortgage with respect to the College are true.

(d) The College is a Tax-Exempt Organization; the College has received a determination letter from the Internal Revenue Service to the foregoing effect, which letter is still in full force and effect; and the College has not declared and has not been determined to have any "unrelated business taxable income" as defined in Section 512 of the Code and the College has no such "unrelated business taxable income," in either case which would have an adverse effect on the College's status as a Tax-Exempt Organization or on the condition, financial or otherwise, of the College.

(e) The representations and covenants contained in the Series 1998 Project Certificate are true and correct and are incorporated herein by this reference and shall have the same effect as if such representations and covenants were actually contained in this Second Supplemental Mortgage.

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(f) The College is the lawful owner and is now lawfully seized and possessed of the Mortgaged Property, free and clear of all Liens except Permitted Encumbrances, and has full power and lawful authority to mortgage, pledge and grant a security interest in the same to the Authority; and the College has good and marketable title thereto and will preserve, warrant and defend the same unto the Authority against the claims of all persons and parties. Upon its Written Request for a withdrawal of moneys from the Series 1998 Project Fund pursuant to Section 302(B) of the Second Supplemental Indenture, the College will be the lawful owner and lawfully seized and possessed of the 1014 South Michigan Building, free and clear of all Liens except Permitted Encumbrances; the College will have the full power and lawful authority to mortgage, pledge and grant a security interest in the same to the Authority; and the College will have good and marketable title thereto and will preserve, warrant and defend the same unto the Authority against the claims of all persons and parties except Permitted Encumbrances. The Existing Mortgage, as supplemented by this Second Supplemental Mortgage, (i) constitutes a direct and valid first Lien on and security interest in the Mortgaged Property, owned by the College on the date of the execution and delivery hereof, subject only to Permitted Encumbrances, and (ii) upon the acquisition by the College of the 1014 South Michigan Building, will constitute a direct and valid first lien on and security interest in the 1014 South Michigan Building, which will then and thereafter constitute a part of the Mortgaged Property, subject only to the Permitted Encumbrances.

(g) All portions of the facilities included within the Series 1998 Project constitute or will constitute, upon completion of the Series 1998 Project, educational facilities within the meaning of the Act, and upon such completion the College will have the exclusive right of possession of the same.

*Section 2.3. Payment of Principal, Premium and Interest.* The College will duly and punctually pay the principal of, premium, if any, and interest on the Series 1998 Note at the dates and the places and in the manner mentioned in the Series 1998 Note and the Second Supplemental Mortgage according to the true intent and meaning thereof. The College will make such payments of the principal of, premium, if any, and interest on the Series 1998 Note to the Trustee for deposit in accordance with the terms of the Indenture.

Notwithstanding any schedule of payments to be made upon the Series 1998 Note set forth herein or in the Series 1998 Note, the College agrees to make payments upon the Series 1998 Note and to be liable therefor at times and in amounts sufficient to pay when due all principal (whether at maturity, by mandatory redemption or otherwise), premium, if any and interest on all Series 1998 Bonds from time to time outstanding under the Indenture.

*Section 2.4. Payment of Expenses of Issuance of Series 1998 Bonds.* The College agrees to be liable and pay for any Trustee's acceptance fees, legal fees, bond insurance premiums, printing expenses and other fees and expenses incurred or to be incurred by or on behalf of the Authority in connection with or as an incident to the issuance and sale of the Series 1998 Bonds and not otherwise paid from funds available to the College under the Indenture.

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*Section 2.5. Funding of Indenture Funds; Sale of Series 1998 Note.* The College hereby agrees to issue and the Authority hereby agrees to purchase the Series 1998 Note in exchange for the proceeds of the Series 1998 Bonds, subject to the provisions of Section 2.23 of the Original Mortgage. The College hereby directs the Authority and the Trustee to apply the proceeds from the sale of the Series 1998 Bonds in the manner specified in Section 301 of the Second Supplemental Indenture.

*Section 2.6. Completion of the Series 1998 Project.* The College represents and warrants that its Application for Loan Assistance to the Authority dated September 15, 1997, as amended on October 3, 1997, contains an accurate description, in all material respects, of the various components of the Series 1998 Project as of the date of issuance of the Series 1998 Bonds. The College covenants and agrees to apply such moneys as are necessary, in addition to the moneys from time to time on deposit in the Series 1998 Project Fund, to complete, or cause to be completed, the Series 1998 Project with reasonable dispatch, substantially in accordance with the plans and specifications therefor in effect on the date hereof and to deliver the Series 1998 Completion Certificate referred to in Section 302(D) of the Second Supplemental Indenture, unless the College certifies to the Authority and the Trustee that such completion is not in the best interests of the College, which certification shall set forth the reasons for such determination by the College. If the College determines not to complete any portion of the Series 1998 Project for which Series 1998 Bond proceeds (or investment earnings thereon) are available and delivers the certification described in the immediately preceding sentence, or funds such portion of the Series 1998 Project from any other source, such Series 1998 Bond proceeds (or investment earnings thereon) otherwise allocable to such portion of the Series 1998 Project must be used either (a) to pay costs of the remaining parts of the Series 1998 Project, provided that (i) the College certifies to the Authority and the Trustee that such use will not cause the average maturity of the Series 1998 Bonds to exceed 120% of the average reasonably expected economic life of the Series 1998 Project being financed, refinanced or reimbursed with proceeds of the Series 1998 Bonds (or investment earnings thereon) and (ii) if the portion of the Series 1998 Project which the College determines not to complete or to fund from other sources exceeds \$250,000, the College shall obtain the written consent of the Authority for such change in use, (b) to pay the costs of other educational or cultural facilities qualifying under the Act, with the approval of the Authority, provided that the College shall have received an opinion of Bond Counsel to the effect that such application will not adversely affect the validity or enforceability of the Series 1998 Bonds in accordance with their terms or any exemption from federal income taxation to which interest on the Series 1998 Bonds would otherwise be entitled, (c) to prepay principal on the Series 1998 Note and to redeem principal on the Series 1998 Bonds in accordance with the provisions of this Second Supplemental Mortgage and the Indenture or (d) in any other lawful manner, provided there shall be delivered to the Trustee and the Authority an opinion of Bond Counsel to the effect that such application will not adversely affect the validity of the Series 1998 Bonds or any exemption from federal income taxation to which the interest on the Series 1998 Bonds would otherwise be entitled. If the College shall so determine not to complete any portion of the Series 1998 Project or to fund such portion from any other source, such portion of the Series 1998 Project shall no longer be deemed to be within the meaning of the term "Series 1998 Project" for any purpose of the Mortgage or the Indenture; if the College shall so determine to use available

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Series 1998 Bond proceeds to pay the costs of other educational or cultural facilities approved by the Authority, such educational or cultural facilities shall thereafter be deemed to be within the meaning of the term "Series 1998 Project" for all purposes of this Second Supplemental Mortgage and the Indenture.

The College agrees to cause to be submitted to the Authority and the Trustee, commencing July 1, 1998, semi-annual progress reports concerning the Series 1998 Project and showing whether amounts actually expended therefor exceed or are less than the amounts budgeted therefor and whether the Series 1998 Project is proceeding on the schedule originally established therefor.

*Section 2.7. Application of Certain Gifts.* The College hereby recognizes that it may receive from time to time gifts, grants, donations, bequests or other charitable contributions, regardless of the form or the source thereof, the proceeds of which when received by the College are or will be restricted to, or are intended and segregated by the College to be used for, payment of the costs of all or a portion of the Series 1998 Project (hereinafter referred to as "Series 1998 Project Gifts"). Subject to the provisions of the last two sentences of this Section, the College hereby covenants and agrees that if and when the College receives any Series 1998 Project Gifts prior to the delivery of the Series 1998 Completion Certificate, the College will transfer the Excess (as hereinafter defined), if any, to the Trustee as soon as practicable after such Excess becomes available to the College for such purposes, for deposit into the Series 1998 Project Fund to be used to pay costs of the Series 1998 Project. The College acknowledges that upon deposit into the Series 1998 Project Fund, the Excess is subject to the restrictions contained in the Series 1998 Tax Agreement with respect to amounts on deposit in the Series 1998 Project Fund, and such amount will constitute "Gross Proceeds" as such term is defined in the Series 1998 Tax Agreement. The College further covenants and agrees that if and when the College receives any Series 1998 Project Gifts after delivery of the Series 1998 Completion Certificate, the College will transfer the Excess (as hereinafter defined) to the Trustee for the redemption of Series 1998 Bonds in accordance with the terms of the Indenture (the "Redemption"); provided, however, that in connection with such Redemption the College may direct the Trustee to deposit the Excess into the Optional Redemption Fund and invest such Excess at a rate not in excess of the Yield (as defined in the Series 1998 Tax Agreement) on the Series 1998 Bonds until such time as the Series 1998 Bonds may be redeemed in accordance with Section 401 of the Second Supplemental Indenture at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date. The amount of any Series 1998 Project Gifts to be so transferred on any date to the Series 1998 Project Fund prior to delivery of the Series 1998 Completion Certificate or to the Trustee for the Redemption of Series 1998 Bonds after delivery of the Series 1998 Completion Certificate shall be equal to the excess, if any, of (a) the aggregate amount of Series 1998 Project Gifts received by the College as of such date over (b) the aggregate amount of moneys not obtained through the issuance of the Series 1998 Bonds which the College has theretofore applied, or intends to apply based on then-current estimates, to payment of costs of the Series 1998 Project (the "Excess"). The proceeds of any such Series 1998 Project Gifts need not be so applied until the aggregate amount thereof held by the College at any time and not previously so applied is at least \$100,000. The College shall transfer any Excess received prior to delivery of the Series

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1998 Completion Certificate to the Trustee for deposit into the Series 1998 Project Fund *only if* the College provides the Trustee with a certification prior to such transfer stating that such Excess is being deposited and retained in the Series 1998 Project Fund to pay potential cost overruns on the Series 1998 Project that are not then known but which the College reasonably believes could arise prior to the completion of the Series 1998 Project. Any Series 1998 Project Gifts constituting an Excess with respect to which such a certification cannot be so provided to the Trustee shall be used to effect a Redemption of Series 1998 Bonds.

### ARTICLE III

#### AMENDMENTS TO EXISTING MORTGAGE

*Section 3.1. Amendment to Section 2.24.* Section 2.24 of the Existing Mortgage is hereby amended by changing the reference to "Series 1992 Bonds" appearing in clause (c) thereof to "Bonds."

*Section 3.2. Amendment to Section 2.25.* Section 2.25 of the Existing Mortgage is hereby amended in its entirety as follows:

"Section 2.25. *Credits on Notes.* Notwithstanding any provision contained in this Mortgage or in the Indenture to the contrary, in addition to any credit on the Notes resulting from the payment or prepayment thereof from other sources or otherwise provided for herein:

(a) any moneys deposited by the Trustee in the Bond Sinking Fund shall be credited against the obligation of the College to pay the principal of the Notes in the order of maturity which corresponds to the dates on which such moneys are applied to pay principal on the Bonds through the Bond Sinking Fund;

(b) any moneys deposited by the Trustee in the Interest Fund shall be credited against the obligation of the College to pay interest on the Notes as the same becomes due; and

(c) the principal amount of Bonds purchased by the College and delivered to the Trustee or purchased by the Trustee and cancelled, shall be credited against the obligation of the College to pay the principal installment or installments on the Notes corresponding to the series and maturity or maturities of such Bonds; provided that with respect to any Bonds which are subject to mandatory redemption prior to maturity, the principal amounts thereof shall be credited against the principal installments on the applicable Note (i) in such order as the College shall designate (which shall be consistent with credits received by the Authority

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with respect to such Bonds pursuant to the Indenture) or (ii) if no such designation is made by the College, then in the inverse order of the maturity thereof."

*Section 3.3. Amendment to Section 2.34.* Section 2.34 of the Existing Mortgage is hereby amended by deleting clause (c) thereof and inserting the following:

"(c) funds from time to time on deposit with the Trustee pursuant to this Section 2.34 shall be used to make up any deficiencies in the Interest Fund, the Bond Sinking Fund and the Debt Service Reserve Fund, in that order, and to the extent funds are used to make up such deficiencies, the College will make payment directly to the Trustee for deposit in such trust account in the amount of any such deficiencies forthwith;"

*Section 3.4. Amendment to Section 10.4.* Section 10.4 of the Existing Mortgage is hereby amended by changing the name of the Bond Insurer to read "MBIA Insurance Corporation."

*Section 3.5. Amendment to Section 10.11.* Section 10.11 of the Existing Mortgage is hereby amended and restated in its entirety to read as follows:

"*Section 10.11. Rights of the Bond Insurer.* Anything contained in this Mortgage, the Indenture, the Series 1992 Bonds or the Series 1998 Bonds to the contrary notwithstanding, all rights given to the Bond Insurer hereunder (a) are expressly conditioned upon the Bond Insurer's timely and full performance of its obligations under the Bond Insurance Policy and the Series 1998 Bond Insurance Policy as stated therein and upon the Bond Insurer not being insolvent, and (b) shall be of no further force or effect when no Insured Series 1992 Bonds or Series 1998 Bonds remain Outstanding under the Indenture and no amounts with respect to the Insured Series 1992 Bonds or the Series 1998 Bonds remain unreimbursed under the Bond Insurance Policy or the Series 1998 Bond Insurance Policy, respectively."

#### ARTICLE IV

#### AMENDMENTS TO FIRST SUPPLEMENTAL MORTGAGE

*Section 4.1. Amendment to Section 1.1.* Section 1.1 of the First Supplemental Mortgage is hereby amended by deleting the definitions of "Series 1993 Debt Service Reserve Fund" and "Series 1993 Debt Service Reserve Fund Requirement" appearing therein.

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*Section 4.2. Amendment to Section 2.6.* Section 2.6 of the First Supplemental Mortgage is hereby amended by deleting the text of such Section and replacing it with the word "Deleted."

*Section 4.3. Amendment to Section 2.7.* Section 2.7 of the First Supplemental Mortgage is hereby amended by deleting the text of such Section and replacing it with the word "Deleted."

## ARTICLE V

### PROVISIONS FOR THE BENEFIT OF THE BOND INSURER

So long as any of the Insured Series 1992 Bonds or the Series 1998 Bonds are Outstanding, the College will perform, comply with and observe for the benefit of the Bond Insurer the additional covenants set forth in this Article V. The provisions of this Article V are for the benefit of the Bond Insurer; and nothing expressed in this Article V is intended or shall be construed to give to any Person other than the Bond Insurer any legal or equitable right, remedy or claim hereunder, this Article V being intended to be and being for the sole and exclusive benefit of the Bond Insurer. The provisions of this Article V may only be enforced at the direction of the Bond Insurer, and may be modified, amended or waived with the prior written consent of the Bond Insurer (so long as the Bond Insurer has not lost its consent and approval rights pursuant to the Indenture) and without the consent of the Authority, the Trustee or any owner of any Bond, provided that notice of any such action shall be given promptly to the Authority and the Trustee.

*Section 5.01. Maintenance of Unrestricted Net Assets.* The College shall maintain, as of the end of each fiscal year, a ratio of (a) the value of its Unrestricted Net Assets to (b) the aggregate principal amount of all outstanding Funded Indebtedness (the "Net Asset Ratio") equal to not less than 0.65 to 1.00. The College shall compute the Net Asset Ratio as of the end of each fiscal year based on the audited financial statements of the College as of such date and for such fiscal year, and shall cause a firm of independent certified public accountants, who may be the accountants regularly employed by the College, to deliver a report to the Bond Insurer and the Trustee confirming, certifying or verifying such computation not later than 120 days after the last day of such fiscal year.

"Unrestricted Net Assets" means, as of the date of determination thereof, (a) the unrestricted cash, investments, pledges and trustee-held funds of the College as of such date, including the amounts then on deposit in the Debt Service Reserve Fund, and (b) at the option of the College, any unrealized gain on investments; but Unrestricted Net Assets shall not include any unrealized loss on investments or any Fixed Assets financed with Funded Indebtedness of the College.

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"Fixed Assets" means the Property, Plant and Equipment of the College (net of accumulated depreciation) reflected on the most recent audited financial statements of the College.

If the Net Asset Ratio for any fiscal year is less than 0.65 to 1.00, the College shall recompute the Net Asset Ratio as of the end of the sixth month following the end of such fiscal year, based on the unaudited financial statements of the College as of such date and for such six-month period; and the College shall provide the Bond Insurer and the Trustee, not later than 30 days after the end of such sixth month, with a certificate of an Authorized Officer setting forth such calculation.

If the Net Asset Ratio is required to be recomputed as of the end of the sixth month following the end of any fiscal year as described in the immediately preceding paragraph and such recomputed Net Asset Ratio is less than 0.65 to 1.00 as of such date, an event of default shall be deemed to have occurred under the Mortgage, and the College shall immediately deposit with an independent third-party custodian acceptable to the Bond Insurer (the "Independent Custodian") as security for the Bonds collateral, consisting of cash or Qualified Investments, in an amount equal to at least 65% of the aggregate principal amount of all then-outstanding Funded Indebtedness of the College. If sufficient cash and Qualified Investments are not available to satisfy such collateralization requirement, the College will deposit all of its Unrestricted Net Assets with the Independent Custodian, grant to the Independent Custodian and perfect a security interest in all future revenues of the College, and deposit all such revenues with the Independent Custodian as and when received, as security for the Bonds. Any such revenues so deposited with the Independent Custodian shall be invested only in Qualified Investments. The College shall cause the aggregate fair market value of the cash and Qualified Investments on deposit with the Independent Custodian on each sixth month anniversary of the date on which the requirement to deposit collateral with the Independent Custodian arose (the "Initial Deposit Date") to be at least 65% of the aggregate principal amount of all then-outstanding Funded Indebtedness of the College.

Amounts on deposit from time to time with the Independent Custodian may be invested at the direction of the College in Qualified Investments. Such amounts held by the Independent Custodian will be applied at the sole discretion and direction of the Bond Insurer unless and until the market value of such collateral is at least equal to 65% of the principal amount of all then-outstanding Funded Indebtedness of the College. At any time and from time to time commencing six months after the Initial Deposit Date, the College may at its option cause the Independent Custodian to value the collateral to determine whether the Net Asset Ratio is at least 0.65 to 1.00. If any such valuation indicates that such ratio is satisfied, then all collateral then held by the Independent Custodian will be released to the College free and clear of any pledge or security interest therein, and the pledge of future revenues of the College described above will likewise be released and discharged; subject, however, to the possibility of future such deposits, grants and pledges upon a subsequent failure of the College to maintain the Net Asset Ratio at its required level.

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Notwithstanding any such deposit of collateral with the Independent Custodian, upon the occurrence of an event of default under the Mortgage arising from a failure to maintain the Net Asset Ratio at its required level as of the end of the sixth month after the end of any fiscal year of the College (if the Net Asset Ratio had not been at the required level as of the end of such fiscal year), and prior to the time that the Net Asset Ratio is increased to the required level, the Bond Insurer will have the right in its sole discretion to direct an acceleration of the maturity of all or a portion of the Bonds then outstanding under the Indenture.

The yield on the collateral from time to time on deposit with the Independent Custodian as described above shall not exceed the yield on the Series 1998 Bonds unless an opinion of Bond Counsel is delivered to the Trustee to the effect that the failure to so restrict the yield on the collateral will not have an adverse effect on any exemption from federal income taxation to which interest on the Series 1998 Bonds is otherwise entitled.

*Section 5.02. Issuance of Additional Funded Indebtedness.* The College shall not incur any additional Funded Indebtedness unless, after giving effect to the incurrence of such Funded Indebtedness and to the application of the proceeds thereof, the College delivers to the Trustee a certificate of an Authorized Officer demonstrating that (a) the Maximum Annual Debt Service Requirement on all Funded Indebtedness of the College then to be outstanding is not greater than 8% of the unrestricted revenues of the College for the most recent fiscal year for which audited financial statements are available and (b) the Unrestricted Net Assets of the College as of the end of the most recent fiscal year for which audited financial statements are available are not less than 65% of the aggregate principal amount of all Funded Indebtedness of the College then to be outstanding.

## ARTICLE VI

### PREPAYMENT OF SERIES 1998 NOTE

*Section 6.1. Prepayment Generally.* No prepayment of the Series 1998 Note may be made except to the extent and in the manner expressly permitted by this Second Supplemental Mortgage. The College shall be obligated to prepay the Series 1998 Note in order to provide funds for any mandatory redemption of the Series 1998 Bonds.

*Section 6.2. Optional Prepayment from Net Proceeds of Insurance or Condemnation.* The College shall have the right to have all Notes prepaid in whole or in part from the Net Proceeds of insurance or condemnation in the manner and subject to the terms and conditions set forth in Section 4.2 of the Existing Mortgage.

*Section 6.3. Optional Prepayment of Series 1998 Note; Obligation to Prepay.* In addition to any prepayment of the Series 1998 Note made pursuant to Section 4.2 of the Existing Mortgage, the College may prepay the Series 1998 Note, in whole or in part on any date occurring on or after June 1, 2008, in order to redeem Series 1998 Bonds under the provisions of Section 401(b) of the Second Supplemental Indenture, at a price equal to 100%

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of the principal amount of the Series 1998 Bonds to be redeemed plus accrued interest thereon to the date of redemption and without premium.

Any prepayment of less than the full unpaid principal amount of the Series 1998 Note shall be applied and credited against the installments of principal thereon in such order as corresponds to the principal installments of the Series 1998 Bonds being redeemed with the proceeds of such prepayment.

The College covenants and agrees that if all or any part of the Series 1998 Bonds are called for redemption in accordance with the Existing Indenture and this Second Supplemental Indenture, it will prepay the indebtedness evidenced by the Series 1998 Note in whole or in part in an amount sufficient to redeem such Series 1998 Bonds on the date fixed for the redemption of the Series 1998 Bonds.

*Section 6.4. Notice.* In other respects the Series 1998 Note may be prepaid upon the notice and in the manner and with the effect provided in Article IV of the Original Mortgage.

## ARTICLE VII

### MISCELLANEOUS PROVISIONS

*Section 7.1. Applicability of the Existing Mortgage.* In all respects not inconsistent with the terms and provisions of this Second Supplemental Mortgage, the provisions of the Existing Mortgage are hereby ratified, approved and confirmed, and except as otherwise provided in this Second Supplemental Mortgage, shall be applicable to the authorization, execution, issuance, payment, sale and delivery of the Series 1998 Note, the application of the proceeds and the security, payment and enforcement of payment thereof. In addition to and without limitation of the foregoing, all covenants of the College set forth in the Existing Mortgage with respect to the "Mortgaged Property" as defined therein, including, without limitation, the obligations set forth in Section 2.15, Section 2.16, Section 2.17, Section 2.20 and in Article III thereof, shall apply to and bind the College with respect to the Mortgaged Property as defined in the Indenture, including the 1014 South Michigan Building upon the acquisition thereof by the College, with the same force and effect as if set forth herein in their entirety. This Second Supplemental Mortgage shall be construed as having been authorized, executed and delivered under the provisions of Section 5.1 and Section 8.1 of the Existing Mortgage.

*Section 7.2. Notice to and Consent of Trustee.* The College acknowledges that simultaneously with the signing and delivery of this Second Supplemental Mortgage, the Authority is signing and delivering the Second Supplemental Indenture between the Authority and the Trustee pursuant to which the Authority is assigning to the Trustee all the Authority's right, title and interest in this Second Supplemental Mortgage and certain related other Series 1998 Bond documents (except as expressly reserved to the Authority within the granting clauses of the Second Supplemental Indenture). With respect to the matters as to

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which the Authority has assigned its rights to the Trustee, whenever the College is required to secure the consent of or give notice to the Authority pursuant to the terms of the Mortgage or any of the Series 1998 Bond documents, the College shall secure the consent of or give notice to, as the case may be, the Trustee.

*Section 7.3. Holidays.* If any date for the payment of an amount hereunder or on the Series 1998 Note is not a Business Day, then such payment shall be due on the first Business Day thereafter with the same force and effect as if done on the nominal date provided in this Second Supplemental Mortgage.

*Section 7.4. Counterparts.* This Second Supplemental Mortgage may be executed in several counterparts, and each executed counterpart shall constitute an original instrument, but all such counterparts shall constitute but one and the same instrument.

*Section 7.5. Governing Law.* It is the intention of the parties hereto that this Second Supplemental Mortgage and the rights and obligations of the parties hereunder and the Notes and the rights and obligations of the parties thereunder, shall be governed by and construed and enforced in accordance with the laws of Illinois.

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

COLUMBIA COLLEGE CHICAGO

By John B. Duff  
President

(SEAL)

Attest:

By Joyce B. Galgan  
Assistant Secretary

ILLINOIS EDUCATIONAL FACILITIES  
AUTHORITY

By John P. ...  
Chairman

(SEAL)

Attest:

By Thomas P. ...  
Executive Director

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JOINDER AND CONSENT OF MBIA INSURANCE CORPORATION

The undersigned, MBIA Insurance Corporation, a stock insurance corporation duly organized under the laws of the State of New York, hereby (i) joins in the execution of the foregoing Second Supplemental Mortgage for the purpose of evidencing its consent thereto pursuant to Section 1004 of the Indenture hereinabove referred to, and (ii) certifies that it is not in default in the performance of its obligation under the Bond Insurance Policy (as defined in the Indenture).

MBIA INSURANCE CORPORATION

By *Dominic B. Hill*  
Its *Asst Gen. Counsel*

[Seal]

Attest:

*[Signature]*  
Its *Secretary*

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STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

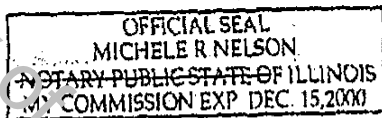
The foregoing instrument was acknowledged before me this 10<sup>th</sup> day of February, 1998 by John B. Duff and Joyce O. Fulgum, as the President and Assistant Secretary of COLUMBIA COLLEGE CHICAGO, an Illinois not for profit corporation, on behalf of said corporation.

*Michele R. Nelson*

Notary Public

(SEAL)

My Commission Expires:



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STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

The foregoing instrument was acknowledged before me this 10th day of February, 1998, by John D. Tilton and Thomas P. Conley, as Chairman and Executive Director of the ILLINOIS EDUCATIONAL FACILITIES AUTHORITY a body politic and corporate, on behalf of said instrumentality.

Michele R. Nelson

Notary Public

(SEAL)

My Commission Expires

MICHELE R NELSON  
NOTARY PUBLIC STATE OF ILLINOIS  
MY COMMISSION EXP. DEC. 15, 2000

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STATE OF NEW YORK )  
 ) SS  
COUNTY OF WESTCHESTER

The foregoing instrument was acknowledged before me this 9<sup>TH</sup> day of February, 1998, by FREDERICK B HNIAT and LOUIS G LENZI, as a ASST GEN COUNSEL and a SECRETARY of the MBIA INSURANCE CORPORATION a stock insurance corporation organized under the laws of the State of New York, on behalf of said corporation.

AMY R. BODNAR  
Notary Public, State of New York  
No. 01B05033021  
Qualified in Westchester County  
(SEAL) Commission Expires September 11, 2008  
My Commission Expires: 9/6/98

Amy R. Bodnar  
Notary Public

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EXHIBIT A

DESCRIPTION OF REAL ESTATE CONTAINED IN EXISTING MORTGAGE

(I) The following interests in the following 2 parcels of real estate:

PARCEL 1:

THE LESSEE'S LEASEHOLD ESTATE IN THE LAND (EXCEPT THE IMPROVEMENTS) AND A FEE INTEREST IN SAID IMPROVEMENTS FOR THE TERM OF THE LEASE, BOTH AS CREATED BY AND SUBJECT TO THE TERMS OF A LEASE BETWEEN THOMAS SMITH, AS LESSOR AND TRANSFEROR, AND JULIA F. HEYWORTH, AS LESSEE AND TRANSFEREE, DATED MAY 31, 1906 AND RECORDED MAY 31, 1906 AS DOCUMENT 3 871 567, RECORDER'S OFFICE, COOK COUNTY, ILLINOIS, AS MODIFIED BY SUPPLEMENTAL AGREEMENT RECORDED APRIL 19, 1907 AS DOCUMENT 4 021 323, FURTHER MODIFIED BY AGREEMENT DATED AS OF DECEMBER 1, 1978 AND RECORDED DECEMBER 20, 1978 AS DOCUMENT 24 773 173, AND ASSIGNED TO THE COLLEGE BY MESNE CONVEYANCES, INCLUDING A TRUSTEE'S DEED FROM COSMOPOLITAN NATIONAL BANK OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED SEPTEMBER 30, 1953 AND KNOWN AS TRUST NUMBER 2357 TO THE COLLEGE, DATED SEPTEMBER 8, 1975 AND RECORDED SEPTEMBER 10, 1975 AS DOCUMENT 23 217 743 AND AN ACCEPTANCE OF ASSIGNMENT BY AND BETWEEN THE COLLEGE, AS ASSIGNEE, AND SAID TRUST NUMBER 2357, AS ASSIGNOR, DATED SEPTEMBER 8, 1975 AND RECORDED SEPTEMBER 10, 1975 AS DOCUMENT 23 217 744, AS TO THE FOLLOWING DESCRIBED REAL ESTATE:

LOT 1 (EXCEPT THE SOUTH 3 FEET THEREOF AND EXCEPT THE WEST 8 FEET OF SAID LOT TAKEN FOR ALLEY) IN BLOCK 13 IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO, IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT TAX NUMBER: 17-15-301-008-0000  
COMMONLY KNOWN AS: 600 SOUTH MICHIGAN AVENUE, CHICAGO, ILLINOIS

PARCEL 2:

THE LESSEE'S LEASEHOLD ESTATE IN THE LAND (EXCEPT ALL BUILDINGS, STRUCTURES AND IMPROVEMENTS LOCATED THEREON) AND A FEE INTEREST IN SAID BUILDINGS, STRUCTURES AND IMPROVEMENTS FOR THE TERM OF THE LEASE, BOTH AS ASSIGNED TO THE COLLEGE BY MESNE CONVEYANCES, INCLUDING AN ASSIGNMENT FROM CHICAGO TITLE AND TRUST COMPANY, AS TRUSTEE UNDER A TRUST AGREEMENT DATED JUNE 21, 1968 AND KNOWN AS TRUST NUMBER 52234, AS ASSIGNOR, TO THE COLLEGE, AS ASSIGNEE, DATED AS OF MAY 30, 1990 AND RECORDED MAY 31, 1990 AS DOCUMENT 90 2542 01 IN THE RECORDER'S OFFICE, COOK COUNTY, ILLINOIS, SAID LESSEE'S

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LEASEHOLD ESTATE IN THE LAND (EXCEPT ALL BUILDINGS, STRUCTURES AND IMPROVEMENT THEREON) BEING CREATED BY A LEASE BETWEEN AMERICAN SECURITY CORPORATION, AS LESSOR, AND CHICAGO TITLE AND TRUST COMPANY, AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 18, 1962 AND KNOWN AS TRUST NUMBER 44348, AS LESSEE, DATED JULY 16, 1962 AND RECORDED JULY 18, 1962 AS DOCUMENT 18 536 670, AS AMENDED BY AN AMENDMENT OF GROUND LEASE RECORDED AUGUST 5, 1974 AS DOCUMENT 22 804 213, AS TO THE FOLLOWING DESCRIBED REAL ESTATE:

LOT 8 IN BLOCK 13 IN FRACTIONAL SECTION 15, ADDITION TO CHICAGO (EXCEPT THAT PART THEREOF TAKEN OR USED FOR AN ALLEY), IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT TAX NUMBER: 17-15-301-012-0000  
COMMONLY KNOWN AS: 624 SOUTH MICHIGAN AVENUE, CHICAGO, ILLINOIS

(II) Fee simple interest in the following 3 parcels:

PARCEL 3:

LOTS 6 AND 7 IN WILLIAM DEERING SURRENDEN SUBDIVISION IN THE WEST 1/2 OF THE NORTH EAST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT TAX NUMBER: 14-17-203-014-0000  
COMMONLY KNOWN AS: 4724-32 NORTH SHERIDAN ROAD, CHICAGO, ILLINOIS

PARCEL 4:

SUB-LOTS 1 AND 2 OF LOT 6 AND SUB-LOT 1 OF LOT 7, ALL IN BLOCK 13 IN CANAL TRUSTEES' SUBDIVISION OF LOTS IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT TAX NUMBER: 17-15-301-004-0000  
COMMONLY KNOWN AS: 623-633 SOUTH WABASH AVENUE, CHICAGO, ILLINOIS.

PARCEL 5:

LOTS 6, 7, 8 AND 9 IN CHARLES L. HARMON'S SUBDIVISION OF THE SOUTH 1/3 OF BLOCK 20 IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO IN TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT TAX NUMBER: 17-15-307-022-0000  
COMMONLY KNOWN AS: 72 EAST ELEVENTH STREET, CHICAGO, ILLINOIS.

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(III) Leasehold interest in the following parcels (other than 1B as provided below):

PARCEL 1A:

PARCEL 1: LOT 20 IN SUBDIVISION OF BLOCK 135 IN SCHOOL SECTION ADDITION TO CHICAGO, IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

PIN# 17-16-408-012

PARCEL 2: LOTS 11 AND 14, EXCEPT SO MUCH THEREOF AS WAS TAKEN FOR STREET AND ALLEY PURPOSES IN SUBDIVISION OF BLOCK 135 IN SCHOOL SECTION ADDITION TO CHICAGO, IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

PIN# 17-16-408-010

PARCEL 3: LOT 17 IN SUBDIVISION OF BLOCK 135 IN SCHOOL SECTION ADDITION TO CHICAGO, IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

PIN# 17-16-408-011

PARCEL 1B:

OWNERSHIP OF ALL BUILDINGS, STRUCTURES AND IMPROVEMENTS ON THE PREMISES DESCRIBED ABOVE.

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## EXHIBIT B

## COLUMBIA COLLEGE CHICAGO

## FIRST MORTGAGE NOTE, SERIES 1998

FOR VALUE RECEIVED, the undersigned, COLUMBIA COLLEGE CHICAGO, an Illinois not for profit corporation (the "College"), hereby promises to pay to the order of the ILLINOIS EDUCATIONAL FACILITIES AUTHORITY, a body politic and corporate constituting a public instrumentality created and existing under and by virtue of the Illinois Educational Facilities Authority Act, as amended (the "Act"), as Secured Party (the "Authority"), the principal sum of TWENTY-TWO MILLION THREE HUNDRED EIGHTY-FIVE THOUSAND DOLLARS (\$22,385,000) in installments on November 15 of each of the years in the respective amounts set forth below, and to pay interest thereon in semi-annual installments on May 15 and November 15 of each of the years and in the respective amounts set forth below:

<u>Year</u>	<u>Installment of Principal Due November 15</u>	<u>Installment of Interest Due May 15</u>	<u>Installment of Interest Due November 15</u>
1998	\$180,000	\$411,517.11	\$544,655.00
1999	185,000	541,325.00	541,325.00
2000	190,000	537,717.50	537,717.50
2001	275,000	533,917.50	533,917.50
2002	345,000	528,417.50	528,417.50
2003	355,000	521,345.00	521,345.00
2004	370,000	513,890.00	513,890.00
2005	1,025,000	506,120.00	506,120.00
2006	1,075,000	480,495.00	480,495.00
2007	1,130,000	453,620.00	453,620.00
2008	1,185,000	425,370.00	425,370.00
2009	1,245,000	395,745.00	395,745.00
2010	1,305,000	367,110.00	367,110.00
2011	1,365,000	336,442.50	336,442.50
2012	1,430,000	303,682.50	303,682.50
2013	1,500,000	268,647.50	268,647.50
2014	1,575,000	231,147.50	231,147.50
2015	1,655,000	191,772.50	191,772.50
2016	1,740,000	150,397.50	150,397.50
2017	1,825,000	106,897.50	106,897.50
2018	440,000	61,272.50	61,272.50

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<u>Year</u>	<u>Installment of Principal Due November 15</u>	<u>Installment of Interest Due May 15</u>	<u>Installment of Interest Due November 15</u>
2019	\$460,000	\$50,272.50	\$50,272.50
2020	485,000	38,772.50	38,772.50
2021	510,000	26,647.50	26,647.50
2022	535,000	13,642.50	13,642.50

The College promises to pay interest on any overdue principal and, to the extent permitted by law, on any overdue interest, at such rates and in such amounts as shall provide for payment in full of interest payable on overdue principal and interest payments on the \$22,385,000 Illinois Educational Facilities Authority Revenue Bonds, Columbia College Chicago, Series 1998 (the "Series 1998 Bonds") issued and delivered under and pursuant to the Indenture (as hereinafter defined).

If any date for the payment of principal or premium, if any, or interest on this Note is not a Business Day, as defined in the hereinafter described Indenture, then such payment shall be due on the first Business Day thereafter.

Notwithstanding any schedule of payments upon this Note set forth herein, the College agrees to make payments upon this Note and to be liable therefor at times and in amounts sufficient to pay when due all principal (whether at maturity, by redemption, acceleration or otherwise) of and interest and premium, if any, on all Series 1998 Bonds from time to time outstanding under the Indenture. Such principal, premium, if any, and interest are payable at the principal corporate trust office of First Trust National Association (successor to Continental Bank, National Association), as trustee (the "Trustee") under the Trust Indenture dated as of June 1, 1992 (the "Original Indenture"), as supplemented and amended by the First Supplemental Trust Indenture dated as of February 1, 1993 (the "First Supplemental Indenture") and the Second Supplemental Trust Indenture dated as of January 1, 1998 (the "Second Supplemental Indenture," and together with the First Supplemental Indenture and the Original Indenture, the "Indenture") from the Authority, or at the office of any successor trustee under the Indenture.

This Note is issued under and secured by the Mortgage and Security Agreement dated as of June 1, 1992 (the "Original Mortgage"), as supplemented by the First Supplemental Mortgage and Security Agreement dated as of February 1, 1993 (the "First Supplemental Mortgage") and the Second Supplemental Mortgage and Security Agreement dated as of January 1, 1998 (the "Second Supplemental Mortgage," and together with the First Supplemental Mortgage and the Original Mortgage, the "Mortgage") from the College to the Authority. As provided in the Mortgage, Additional Notes may be issued and delivered by the College to the Authority, with the consent of the Authority, for any purposes permitted under the Act, and such Notes, if issued, together with this Note, the \$25,605,000 principal amount First Mortgage Note, Series 1992, of the College issued under the Original

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Mortgage and the \$9,515,000 principal amount First Mortgage Note, Series 1993, of the College issued under the First Supplemental Mortgage, shall be equally and ratably secured by the lien and security interest of the Mortgage. Reference is hereby made to the Mortgage for a description of the property subject to the lien and security interest thereof and of the rights of the holder hereof, the College and the Authority in respect thereof, and the provisions for amending the Mortgage, to all of which the holder hereof, by its acceptance hereof, assents.

The principal of this Note is subject to prepayment by the College from time to time, in the manner and under the circumstances set forth in the Mortgage, in whole or part, at a price equal to 100% of the principal amount hereof to be prepaid plus accrued and unpaid interest thereon to the date fixed for prepayment, together with the premium, if any, provided for in the Mortgage upon such prepayment.

The obligations of the College to make payments required hereunder shall be absolute and unconditional without any defense or right of set-off, counterclaim or recoupment by reason of any default by the Authority, under the Mortgage or under any other agreement between the College and the Authority or out of any indebtedness or liability at any time owing to the College by the Authority or for any other reason.

In certain events and in the manner set forth in the Mortgage, the entire principal amount of this Note may be declared to be due and payable.

No recourse shall be had for the payment of the principal of, or premium, if any, or interest on this Note, or for any claim based hereon or on the Mortgage or any loan agreement supplemental thereto, against any member, director, trustee, officer, employee or agent, past, present or future, of the College, or of any successor corporation, as such, either directly, or through the College or any such successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise, all such liability, whether at common law, in equity, by any constitution, statute, rule of law or otherwise, of members, directors, trustees, officers, employees or agents, as such, being released as a condition of and consideration for the execution and delivery of the Mortgage and the issuance of this Note.

The College hereby waives presentment for payment, demand (except as is otherwise provided in the Mortgage), protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Trustee to the College.

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IN WITNESS WHEREOF, the College has caused this Note to be duly executed.

DATED: January 15, 1998

COLUMBIA COLLEGE CHICAGO

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

(SEAL)

Attest:

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

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ENDORSEMENT

Pay to the order of First Trust National Association (successor to Continental Bank, National Association), as Trustee under the Trust Indenture dated as of June 1, 1992, as supplemented and amended by the First Supplemental Trust Indenture dated as of February 1, 1993 and the Second Supplemental Trust Indenture dated as of January 1, 1998 from the undersigned.

ILLINOIS EDUCATIONAL FACILITIES  
AUTHORITY

By \_\_\_\_\_  
Chairman

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EXHIBIT C

DESCRIPTION OF SERIES 1998 PROJECT

1. Purchase, renovation and equipping of a building located at 1415 South Wabash Avenue in Chicago, Illinois, to provide improved academic and administrative space for the Theater and Film/Video Departments of the College.

2. Purchase, renovation and equipping of a building located at 1014 South Michigan Avenue in Chicago, Illinois, to provide improved academic and administrative space for the Contemporary American Music Program at the College.

3. Additional capital expenditures relating to the construction, renovation and equipping of the College's existing buildings at 600 South Michigan Avenue, 624 South Michigan Avenue, 623 South Wabash Avenue and 72 East 11th Street, all in Chicago, Illinois.

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## EXHIBIT D

### DESCRIPTION OF ADDITIONAL REAL ESTATE

#### ITEM (I)

Lots 9, 10, 11 and 12 in Block 16 in Herrington's Addition to Chicago in the North West Fractional Quarter of Section 22, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Property Address: 1415 South Wabash Avenue, Chicago, Illinois

PIN: 17-22-107-058

#### Item (II)

Lots 4 and 5 in Block 20 in C.L. Harmon's Subdivision of the South 1/3 of Block 20 of Fractional Section 15 Addition to Chicago in Section 15, Township 39 North, Range 14, East of the Third PM, in Cook County, Illinois.

Property Address: 1014-1016 South Michigan Avenue, Chicago, Illinois

PIN: 17-15-307-026

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