

ILLINOIS
UNOFFICIAL COPY

CTI



00894626

NOTICE: THIS INSTRUMENT SECURES FUTURE ADVANCES UNDER A REVOLVING CREDIT FACILITY THE PRIORITY OF WHICH DATE TO THE RECORDING DATE HEREOF.

EP 2569 L (4) all

R
27
H

LEASEHOLD MORTGAGE AND SECURITY AGREEMENT WITH
ASSIGNMENT OF RENTS

Dated as of Oct 30, 2000

From

SVT, LLC
("Mortgagor")

00894626

7311/0359 45 001 Page 1 of 27
2000-11-14 14:36:33
Cook County Recorder 143.00

To

HARRIS TRUST AND SAVINGS BANK,
as Collateral Agent
("Mortgagee")

12 Ridge Road
Munster, Indiana

This instrument prepared by
and after recording return to:

Rafael L. Cook
Chapman and Cutler
111 West Monroe Street
Chicago, Illinois 60603
(312) 845-3000

1135821.01.01.B
1463504/RLC
Munster, Indiana
10/27/00

BOX 333-CTI

UNOFFICIAL COPY

LEASEHOLD MORTGAGE AND SECURITY AGREEMENT WITH ASSIGNMENT OF RENTS

This Leasehold Mortgage and Security Agreement with Assignment of Rents (the "Mortgage") dated as of October 30, 2000 from SVT, LLC, an Indiana limited liability company with its principal place of business and mailing address at 2244 45th Street, Highland, Indiana 46322 (hereinafter referred to as "Mortgagor") to Harris Trust and Savings Bank, an Illinois banking corporation with its principal place of business at 111 West Monroe Street, Chicago, Illinois 60690, (hereinafter referred to as "Harris") for itself and as collateral agent hereunder for the Lenders hereinafter defined (Harris acting as such collateral agent and any successor or successors to Harris in such capacity being hereinafter referred to as "Mortgagee");

This Mortgage is also a Security Agreement and Financing Statement under the Uniform Commercial Code of Indiana and in compliance therewith the following information is set forth:

1. The names and addresses of the Debtor and Mortgagee are:

Debtor: SVT, LLC
2244 45th Street
Highland, Indiana 46322
Attention: David Wilkinson

Mortgagee: Harris Trust and Savings Bank
111 West Monroe Street
Chicago, Illinois 60603
Attention: Agribusiness Division

2. The property covered by this Security Agreement and Financing Statement is described in the Granting Clauses hereof.

3. Some or all of the furniture, fixtures, equipment and other property described herein is or may become fixtures.

4. Griffland Center, Inc. is the record owner of the real estate described in Schedule I attached hereto and made a part hereof.

WITNESSETH THAT:

WHEREAS, pursuant to a lease dated October 30, 2000 (as amended, the "Lease"), recorded on _____, 2000, as Document No. _____, in the Office of the Recorder for Lake County, Indiana, Gerald D. Bardeson and Ronald R. Bissonette AS TRUSTEES, as lessor (the "Lessor"), leased to the Mortgagor, as lessee, the real property described in Schedule I attached hereto together with any and all easements and other rights appurtenant thereto;

** UNDER TRUST AGREEMENT DATED MAY 1, 1999
AND KNOWN AS TRUST No. 101*

00894626

UNOFFICIAL COPY

WHEREAS, Mortgagor, as assignee of Strack and Van Til Supermarkets, Inc., an Indiana corporation ("*Strack, Inc.*"), is a party to that certain Secured Credit Agreement dated as of February 11, 1998, as the same has been and may from time to time be amended, supplemented, modified and restated (as so amended, supplemented, modified and restated, the "*Strack Credit Agreement*"), among Harris (individually and as agent for itself and the lenders who may from time to time be parties to the Strack Credit Agreement (individually a "*Strack Lender*" and collectively the "*Strack Lenders*")) pursuant to which the Strack Lenders commit, subject to certain terms and conditions (i) to make a \$10,000,000 revolving credit facility (the "*Revolving Credit*") available to the Mortgagor in the form of loans and letters of credit, and (ii) to make a \$20,000,000 term credit facility (the "*Term Credit*") available to the Mortgagor in the form of term loans;

WHEREAS, Harris may, pursuant to the Strack Credit Agreement and as part of the Revolving Credit referred to above, (a) make Swingline Loans to the Mortgagor in an aggregate outstanding principal amount not to exceed \$3,000,000 at any time and maturing in no event later than February 11, 2003, and (b) issue letters of credit (individually, an "*L/C*" and collectively the "*L/Cs*") for the account of the Mortgagor in an aggregate face amount not to exceed \$1,000,000 and with expiry dates of not more than one year from the date of issuance thereof, but in no event later than February 11, 2003 which L/Cs are to be issued upon and subject to the terms of separate applications and agreements for L/Cs to be executed by the Mortgagor (individually an "*Application*" and collectively the "*Applications*");

WHEREAS, Mortgagor, as assignee of Strack, Inc., is a party to that certain Guaranty Agreement dated as of February 11, 1998, as the same has been and may from time to time be amended, supplemented, modified and restated (as so amended, supplemented, modified and restated, the "*Guaranty*") pursuant to which Mortgagor guaranties the payment when due all indebtedness, obligations and liabilities, whether now existing or hereafter created or arising, of Central Grocers Cooperative, Inc., an Illinois corporation ("*Central*") under a Secured Credit Agreement dated as of February 11, 1998, as the same has been and may from time to time be amended, supplemented, modified and restated (as so amended, supplemented, modified and restated, the "*Central Credit Agreement*") among Central, Harris Trust and Savings Bank, individually and as agent thereunder, and the from time to time lenders parties thereto (the "*Central Grocers Lenders*" and, together with the Strack Lenders, individually a "*Lender*" and collectively the "*Lenders*"), in an aggregate principal amount not to exceed \$47,500,000 and maturing in no event later than February 11, 2003 (the "*Central Grocers Indebtedness*");

WHEREAS, the aggregate principal balance of all term loans made under the Term Credit that are outstanding on the date hereof before giving effect to the Fourth Amendment (as defined below) is \$14,400,000 (the "*Original Term Loans*");

WHEREAS, concurrently herewith the Mortgagor and the Strack Lenders have entered into a Fourth Amendment to SVT, LLC Secured Credit Agreement dated of even date herewith (the "*Fourth Amendment*") pursuant to which the Strack Lenders commit, subject to certain terms and conditions (i) to increase the amount of the Revolving Credit available to the Mortgagor under the Strack Credit Agreement from \$10,000,000 to \$20,000,000, and (ii) to

UNOFFICIAL COPY

make additional term loans in an aggregate amount not to exceed \$10,600,000 to the Mortgagor under the Term Credit (the "Additional Term Loans"); and

WHEREAS, all borrowings under the Revolving Credit are to be evidenced by Secured Revolving Credit Notes of the Mortgagor aggregating \$20,000,000, dated October 30, 2000, payable to the order of the respective Strack Lender named thereon and maturing in no event later than February 11, 2003 and bearing interest thereon at the rates and payable at the times provided in the Strack Credit Agreement (such promissory notes and any and all promissory notes issued in renewal thereof or in substitution or replacement therefor being hereinafter referred to collectively as the "Revolving Notes" and individually as a "Revolving Note"), and all borrowings under the Term Credit, both Original Term Loans and Additional Term Loans, are to be evidenced by Secured Term Credit Notes of the Mortgagor, aggregating ~~\$20,000,000~~ \$25,000,000.00 dated October 30, 2000, payable to the order of the respective Strack Lender named thereon and maturing in no event later than January 31, 2003 and bearing interest thereon at the rates and payable at the times provided in the Strack Credit Agreement (such promissory notes and any and all promissory notes issued in renewal thereof or in substitution or replacement therefor being hereinafter referred to collectively as the "Term Notes" and individually as a "Term Note," and the Term Notes and Revolving Notes being hereinafter referred to collectively as the "Notes" and individually as a "Note"),

NOW, THEREFORE, to secure (i) the payment of the principal of and interest on the Notes as and when the same become due and payable (whether by lapse of time, acceleration or otherwise) and all advances now or hereafter evidenced thereby, (ii) the payment of all sums owing in connection with the L/Cs (collectively, the "Reimbursement Obligations") as and when the same become due and payable, (iii) the payment and performance of all indebtedness, obligations and liabilities of Mortgagor under the Guaranty, (iv) the obligation of the Mortgagor to pay Mortgagee and the Lenders certain fees, costs, expenses, indemnities and other amounts pursuant to the Strack Credit Agreement, the Applications and the Guaranty, (v) the payment of all other indebtedness, obligations and liabilities which this Mortgage secures pursuant to any of its terms and (vi) the observance and performance of all covenants and agreements contained herein or in the Notes, the Strack Credit Agreement, the Applications, the Guaranty or in any other instrument or document at any time evidencing or securing any of the foregoing or setting forth terms and conditions applicable thereto (all of such indebtedness, obligations and liabilities being hereinafter collectively referred to as the "indebtedness hereby secured"), Mortgagor does hereby grant, bargain, sell, convey, mortgage, warrant, assign, and pledge unto Mortgagee, its successors and assigns, and grant to Mortgagee, its successors and assigns a security interest in the Mortgagor's right, title and interest in and to all and singular the properties, rights, interests and privileges described in Granting Clauses I, II, III, IV, V, VI and VII below (and specifically excluding any and all real and personal property owned by the Lessor), all of the same being collectively referred to herein as the "Mortgaged Premises":

GRANTING CLAUSE I

The Mortgagor's leasehold interest under the Lease in and to that certain real estate lying and being in Munster, County of Lake and State of Indiana and County of Cook, State of Illinois more particularly described in Schedule I attached hereto and made a part hereof.

UNOFFICIAL COPY

GRANTING CLAUSE II

The Mortgagor's interests (whether through the leasehold interest created by the Lease or otherwise) in and to all buildings and improvements of every kind and description heretofore or hereafter erected or placed on the property described in Granting Clause I and all materials intended for construction, reconstruction, alteration and repairs of the buildings and improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the premises immediately upon the delivery thereof to the said real estate, and all fixtures, machinery, apparatus, equipment, fittings and articles of personal property of every kind and nature whatsoever now or hereafter attached to or contained in or used or useful in connection with said real estate and the buildings and improvements now or hereafter located thereon and the operation, maintenance and protection thereof, including but not limited to all machinery, motors, fittings, radiators, awnings, shades, screens, all gas, coal, steam, electric, oil and other heating, cooking, power and lighting apparatus and fixtures, all fire prevention and extinguishing equipment and apparatus, all cooling and ventilating apparatus and systems, all plumbing, incinerating, and sprinkler equipment and fixtures, all elevators and escalators, all communication and electronic monitoring equipment, all window and structural cleaning rigs and all other machinery and equipment of every nature and fixtures and appurtenances thereto and all items of furniture, appliances, draperies, carpets, other furnishings, equipment and personal property used or useful in the operation, maintenance and protection of the said real estate and the buildings and improvements now or hereafter located thereon and all renewals or replacements thereof or articles in substitution therefor, whether or not the same are or shall be attached to said real estate, buildings or improvements in any manner, and all proceeds thereof; it being mutually agreed, intended and declared that all the aforesaid property shall, so far as permitted by law, be deemed to form a part and parcel of the real estate and for the purpose of this Mortgage to be real estate and covered by this Mortgage; and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well a Security Agreement under the provisions of the Uniform Commercial Code of the State of Illinois for the purpose of creating hereby a security interest in said property, which is hereby granted by Mortgagor as debtor to Mortgagee as secured party, securing the indebtedness hereby secured. The addresses of Mortgagor (debtor) and Mortgagee (secured party) appear at the beginning hereof.

GRANTING CLAUSE III

All right, title and interest of Mortgagor now owned or hereafter acquired in and to all and singular the estates, tenements, hereditaments, privileges, easements, licenses, franchises, appurtenances and royalties, mineral, oil, and water rights belonging or in any wise appertaining to the property described in the preceding Granting Clause I and the buildings and improvements now or hereafter located thereon and the reversions, rents, issues, revenues and profits thereof, including all interest of Mortgagor in all rents, issues and profits of the aforementioned property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money as advanced rent or for security) under any and all leases or subleases and renewals thereof of, or under any contracts or options for the sale of all or any part of, said property (including during any period allowed by law for the redemption of said property after any foreclosure or other sale), together with the right, but not the obligation, to collect, receive and receipt for all such rents and other sums and apply them to the indebtedness

UNOFFICIAL COPY

hereby secured and to demand, sue for and recover the same when due or payable; *provided* that the assignments made hereby shall not impair or diminish the obligations of Mortgagor under the provisions of such leases or other agreements nor shall such obligations be imposed upon Mortgagee. By acceptance of this Mortgage, Mortgagee agrees, not as a limitation or condition hereof, but as a personal covenant available only to Mortgagor that until an Event of Default shall occur giving Mortgagee the right to foreclose this Mortgage, Mortgagor may collect, receive (but not more than 30 days in advance) and enjoy such rents.

GRANTING CLAUSE IV

The Mortgagor's interest in and to any and all judgments, awards of damages, settlements and other compensation heretofore or hereafter made to Mortgagor resulting from condemnation proceedings or the taking of the property described in Granting Clause I or any part thereof or any building or other improvement now or at any time hereafter located thereon or any easement or other appurtenance thereto under the power of eminent domain, or any similar power or right (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for the payment thereof), whether permanent or temporary, or for any damage (whether caused by such taking or otherwise) to said property or any part thereof or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including severance and consequential damage, and any award for change of grade of streets (collectively, "*Condemnation Awards*").

GRANTING CLAUSE V

All property and rights of the Mortgagor, if any, which are by the express provisions of this Mortgage required to be subjected to the lien hereof and any additional property and rights that may from time to time hereafter, by installation or writing of any kind, be subjected to the lien hereof by Mortgagor or by anyone in Mortgagor's behalf.

GRANTING CLAUSE VI

All rights in and to common areas and access roads on adjacent properties heretofore or hereafter granted to Mortgagor.

GRANTING CLAUSE VII

All proceeds of the conversion, voluntary or involuntary, of any of the foregoing into cash or other liquidated claims, including, without limitation, all proceeds and payments of insurance.

TO HAVE AND TO HOLD the Mortgaged Premises and the properties, rights and privileges hereby granted, bargained, sold, conveyed, mortgaged, warranted, pledged and assigned, and in which a security interest is granted, or intended so to be, unto Mortgagee, its successors and assigns, forever; *provided, however*, that this Mortgage is upon the express condition that if the principal of and interest on the Notes, all sums from time to time advanced

UNOFFICIAL COPY

thereon, all Reimbursement Obligations shall be paid in full and all other indebtedness hereby secured shall be fully paid and performed, no L/C shall remain outstanding and any commitment contained in the Strack Credit Agreement to extend credit thereunder shall have terminated, all indebtedness, obligations and liabilities of Mortgagor under the Guaranty shall be fully paid and performed and any commitment of the Strack Lenders contained in the Strack Credit Agreement to extend credit thereunder shall have terminated, then this Mortgage and the estate and rights hereby granted shall cease, determine and be void and this Mortgage shall be released by Mortgagee upon the written request and at the expense of Mortgagor, otherwise to remain in full force and effect.

It is expressly understood and agreed that the indebtedness hereby secured will in no event exceed two hundred percent (200%) of (i) the total face amount of the Notes and the Strack Indebtedness plus (ii) the total interest which may hereafter accrue under the Notes on such face amount and the Strack Indebtedness plus (iii) any fees, costs or expenses which may be payable hereunder. Notwithstanding anything in this Mortgage to the contrary, the right of recovery against the Mortgagor under this Mortgage shall not exceed \$1.00 less than the amount which would render the Mortgagor's obligations under this Mortgage void or voidable under applicable law, including fraudulent conveyance law.

Mortgagor hereby covenants and agrees with Mortgagee as follows:

1. *Payment of the Indebtedness.* The indebtedness hereby secured will be promptly paid as and when the same becomes due.
2. *Further Assurances.* Mortgagor will execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectively the purpose of this Mortgage and, without limiting the foregoing, to make subject to the lien hereof any property agreed to be subjected hereto or covered by the Granting Clauses hereof or intended so to be.
3. *Ownership of the Mortgaged Premises; the Lease.* Mortgagor covenants and warrants that it is lawfully seized of and has good and marketable leasehold title to the Mortgaged Premises free and clear of all liens, charges and encumbrances whatsoever except Permitted Encumbrances (as defined in the Strack Credit Agreement) and Mortgagor has good title, full power and authority to convey, transfer and mortgage the same to Mortgagee for the uses and purposes set forth in this Mortgage; and Mortgagor will warrant and defend the title to the Mortgaged Premises against all claims and demands whatsoever.

The Mortgagor will perform all obligations, covenants and agreements by it to be performed under the Lease in accordance with the terms thereof, and will at all times do all things necessary to compel performance by the Lessor of all covenants and agreements by it to be performed under the Lease. The Mortgagor will take no action and permit no action to be taken by other Persons which will release the Lessor from its obligations under the Lease or result in the termination, amendment or modification of, or impair the validity of, the Lease; *provided, however*, that Mortgagor and Lessor may amend the Lease without Mortgagee's consent so long as such amendment does not amend the term thereof, increase the rental

UNOFFICIAL COPY

obligations thereunder, adversely change the insurance or condemnation provisions, adversely change the use, value or utility of the Mortgaged Premises. The Mortgagor will give notice to the Mortgagee of all material defaults by the Lessor under the Lease promptly after they have become known to the Mortgagor.

4. *Possession.* *Provided* no Event of Default has occurred and is continuing hereunder, Mortgagor shall be suffered and permitted to remain in full possession, enjoyment and control of the Mortgaged Premises, subject always to the observance and performance of the terms of this Mortgage.

5. *Payment of Taxes.* Mortgagor shall pay before any penalty attaches, all general taxes and all special taxes, special assessments, water, drainage and sewer charges and all other charges of any kind whatsoever, ordinary or extraordinary, which may be levied, assessed, imposed or charged on or against the Mortgaged Premises or any part thereof and which, if unpaid, might by law become a lien or charge upon the Mortgaged Premises or any part thereof, and shall, upon written request, exhibit to Mortgagee official receipts evidencing such payments, except that, unless and until foreclosure, distraint, sale or other similar proceedings shall have been commenced, no such charge or claim need be paid if being contested (except to the extent any full or partial payment shall be required by law), after notice to Mortgagee, by appropriate proceedings which shall operate to prevent the collection thereof or the sale or forfeiture of the Mortgaged Premises or any part thereof to satisfy the same, conducted in good faith and with due diligence and if Mortgagor shall have furnished such security, if any, as may be required in the proceedings or requested by Mortgagee.

6. *Payment of Taxes on Notes, Mortgage or Interest of Mortgagee or Lender.* Mortgagor agrees that if any tax, assessment or imposition upon this Mortgage or the indebtedness hereby secured or the Notes, the Applications, the Guaranty or the interest of Mortgagee in the Mortgaged Premises or upon Mortgagee or any Lender by reason of or as a holder of any of the foregoing (including, without limitation, corporate privilege, franchise and excise taxes, but excepting therefrom any income tax on interest payments on the principal portion of the indebtedness hereby secured imposed by the United States or any state) is levied, assessed or charged, then, unless all such taxes are paid by Mortgagor to, for or on behalf of Mortgagee or as such Lender, as the case may be, as they become due and payable (which Mortgagor agrees to do upon demand of Mortgagee or such Lender, to the extent permitted by law), or Mortgagee or such Lender, as the case may be, is reimbursed for any such sum advanced by Mortgagee, all sums hereby secured shall become immediately due and payable, at the option of Mortgagee upon thirty (30) days' notice to Mortgagor, notwithstanding anything contained herein or in any law heretofore or hereafter enacted, including any provision thereof forbidding Mortgagor from making any such payment. Mortgagor agrees to exhibit to Mortgagee or any Lender, upon request, official receipts showing payment of all taxes and charges which Mortgagor is required to pay hereunder.

7. *Recordation and Payment of Taxes and Expenses Incident Thereto.* Mortgagor will cause this Mortgage, all mortgages supplemental hereto and any financing statement or other notice of a security interest required by Mortgagee at all times to be kept, recorded and filed at its own expense in such manner and in such places as may be required by law for the recording

UNOFFICIAL COPY

and filing or for the rerecording and refiling of a mortgage, security interest, assignment or other lien or charge upon the Mortgaged Premises, or any part thereof, in order fully to preserve and protect the rights of Mortgagee hereunder and, without limiting the foregoing, Mortgagor will pay or reimburse Mortgagee for the payment of any and all taxes, fees or other charges incurred in connection with any such recordation or rerecording, including any documentary stamp tax or tax imposed upon the privilege of having this Mortgage or any instrument issued pursuant hereto recorded.

8. *Insurance.* If, as, and to the extent required by the Lease, Mortgagor will, at its expense, keep all buildings, improvements, equipment and other property now or hereafter constituting part of the Mortgaged Premises insured against loss or damage by fire, lightning, windstorm, explosion and such other risks as are usually included under extended coverage policies, or which are usually insured against by owners of like property, in amount sufficient to prevent Mortgagor or Mortgagee from becoming a co-insurer of any partial loss under applicable policies and in any event not less than the then full insurable value (actual replacement value without deduction for physical depreciation) thereof, as determined at the request of Mortgagee and at Mortgagor's expense by the insurer or insurers or by an expert approved by Mortgagee, all under insurance policies payable, in case of loss or damage, to Mortgagee, such rights to be evidenced by the usual standard non-contributory form of mortgage clause to be attached to each policy. Mortgagor shall not carry separate insurance concurrent in kind or form and contributing in the event of loss, with any insurance required hereby. Upon the execution of this Mortgage and thereafter not less than fifteen (15) days prior to the expiration date of any policy delivered pursuant to this Mortgage, Mortgagor will deliver to Mortgagee originals of any policy or renewal policy, as the case may be, required by this Mortgage, bearing notations evidencing the payment of all premiums. In the event of foreclosure, Mortgagor authorizes and empowers Mortgagee to effect such insurance required under the Lease (or as otherwise deemed reasonably prudent by Mortgagee) upon the Mortgaged Premises in amounts aforesaid for a period covering the time of redemption from foreclosure sale provided by law, and if necessary therefor to cancel any or all existing insurance policies.

UNLESS THE MORTGAGOR PROVIDES THE MORTGAGEE WITH EVIDENCE OF THE INSURANCE COVERAGE REQUIRED BY THIS MORTGAGE, THE MORTGAGEE MAY PURCHASE INSURANCE AT THE MORTGAGOR'S EXPENSE TO PROTECT THE MORTGAGEE'S INTERESTS IN THE MORTGAGED PREMISES. THIS INSURANCE MAY, BUT NEED NOT, PROTECT THE MORTGAGOR'S INTERESTS IN THE MORTGAGED PREMISES. THE COVERAGE PURCHASED BY THE MORTGAGEE MAY NOT PAY ANY CLAIMS THAT THE MORTGAGOR MAKES OR ANY CLAIM THAT IS MADE AGAINST THE MORTGAGOR IN CONNECTION WITH THE MORTGAGED PREMISES. THE MORTGAGOR MAY LATER CANCEL ANY SUCH INSURANCE PURCHASED BY THE MORTGAGEE, BUT ONLY AFTER PROVIDING THE MORTGAGEE WITH EVIDENCE THAT THE MORTGAGOR HAS OBTAINED INSURANCE AS REQUIRED BY THIS MORTGAGE. IF THE MORTGAGEE PURCHASES INSURANCE FOR THE MORTGAGED PREMISES, THE MORTGAGOR WILL BE RESPONSIBLE FOR THE COSTS OF THAT INSURANCE, INCLUDING INTEREST AND ANY OTHER CHARGES THAT THE MORTGAGEE MAY IMPOSE IN CONNECTION WITH THE PLACEMENT OF THE INSURANCE, UNTIL THE EFFECTIVE DATE OF THE CANCELLATION OR EXPIRATION OF THE INSURANCE. THE COSTS OF THE INSURANCE MAY BE ADDED TO THE INDEBTEDNESS

UNOFFICIAL COPY

HEREBY SECURED. THE COSTS OF THE INSURANCE MAY BE MORE THAN THE COST OF INSURANCE THE MORTGAGOR MAY BE ABLE TO OBTAIN ON ITS OWN.

9. *Damage to or Destruction of Mortgaged Premises.*

(a) *Notice.* In case of any material damage to or destruction of the Mortgaged Premises or any part thereof having an aggregate fair market value in excess of \$250,000, Mortgagor shall promptly give written notice thereof to Mortgagee, generally describing the nature and extent of such damage or destruction.

(b) *Restoration.* To the extent required under the Lease, and subject at all times to the right of the Lessor under the Lease with respect to restoration (which rights Mortgagee hereby acknowledges are prior and superior to the rights of Mortgagee hereunder), in case of any damage to or destruction of the Mortgaged Premises or any part thereof, Mortgagor, whether or not the insurance proceeds, if any, received on account of such damage or destruction shall be sufficient for the purpose, at Mortgagor's expense, will promptly commence and complete (subject to unavoidable delays occasioned by strikes, lockouts, acts of God, inability to obtain labor or materials, governmental restrictions and similar causes beyond the reasonable control of Mortgagor) the restoration, replacement or rebuilding of the Mortgaged Premises as nearly as possible to its value, condition and character immediately prior to such damage or destruction, except to the extent said Mortgaged Premises (i) prior to its damage or destruction are uneconomical, obsolete or worn-out or (ii) are not necessary for or of importance to the proper conduct of Mortgagor's business in the ordinary course and all other parts of the Mortgaged Premises damaged or destroyed during the preceding twelve (12) calendar months had an aggregate fair market value, prior to its damage or destruction, of less than \$250,000.

(c) *Adjustment of Loss.* Subject at all times to the rights of the Lessor under the Lease with respect to insurance proceeds (which rights Mortgagee hereby acknowledges are prior and superior to the right of the Mortgagee hereunder), Mortgagor hereby authorizes Mortgagee, at Mortgagee's option, to adjust and compromise any losses under any insurance afforded, but unless Mortgagee elects to adjust the losses as aforesaid, said adjustment and/or compromise shall be made by Mortgagor, subject to final approval of Mortgagee in the case of losses exceeding \$250,000.

(d) *Application of Insurance Proceeds.* Subject at all times to the rights of the Lessor under the Lease with respect to insurance proceeds (which rights Mortgagee hereby acknowledges are prior and superior to the right of the Mortgagee hereunder), net insurance proceeds received by Mortgagee under the provisions of this Mortgage or any instruments supplemental hereto or thereto or under any policy or policies of insurance covering the Mortgaged Premises or any part thereof shall first be applied toward the payment of the amount owing on the indebtedness hereby secured in such order of application as Mortgagee may elect whether or not the same may then be due or be otherwise adequately secured; *provided, however*, that such proceeds shall be made available for the restoration of the portion of the Mortgaged Premises damaged or

UNOFFICIAL COPY

destroyed if written application for such use is made within thirty (30) days of receipt of such proceeds and the following conditions are satisfied: (i) Mortgagor has in effect business interruption insurance covering the income to be lost during the restoration period as a result of the damage or destruction to the Mortgaged Premises or provides Mortgagee with other evidence satisfactory to it that Mortgagor has cash resources sufficient to pay its obligations during the restoration period; (ii) the effect of the damage to or destruction of the Mortgaged Premises giving rise to receipt of the insurance proceeds is not to terminate, or give a lessee the option to terminate, any lease of all or any portion of the Mortgaged Premises; (iii) no Event of Default, or event which, with the lapse of time, the giving of notice, or both, would constitute an Event of Default, shall have occurred or be continuing (and if such an event shall occur during restoration Mortgagee may, at its election, apply any insurance proceeds then remaining in its hands to the reduction of the indebtedness evidenced by the Notes and the other indebtedness hereby secured); (iv) Mortgagor shall have submitted to Mortgagee plans and specifications for the restoration which shall be satisfactory to it; (v) Mortgagor shall submit to Mortgagee fixed price contracts with good and responsible contractors and materialmen covering all work and materials necessary to complete restoration and providing for a total completion price not in excess of the amount of insurance proceeds available for restoration, or if a deficiency shall exist, Mortgagor shall have deposited the amount of such deficiency with Mortgagee; and (vi) Mortgagor shall have obtained a waiver of the right of subrogation from any insurer under such policies of insurance who at that time claims that no liability exists as to Mortgagor or the insured under such policies. Any insurance proceeds to be released pursuant to the foregoing provisions may at the option of Mortgagee be disbursed from time to time as restoration progresses to pay for restoration work completed and in place and such disbursements may at Mortgagee's option be made directly to Mortgagor or to or through any contractor or materialman to whom payment is due or to or through a construction escrow to be maintained by a title insurer acceptable to Mortgagee. Mortgagee may impose such further conditions upon the release of insurance proceeds (including the receipt of title insurance) as are customarily imposed by prudent construction lenders to insure the completion of the restoration work free and clear of all liens or claims for lien. All title insurance charges and other costs and expenses paid to or for the account of Mortgagor in connection with the release of such insurance proceeds shall constitute so much additional indebtedness hereby secured to be payable upon demand with interest at the rate applicable to the Notes at the time such costs or expenses are incurred. Mortgagee may deduct any such costs and expenses from insurance proceeds at any time standing in its hands. If Mortgagor fails to request that insurance proceeds be applied to the restoration of the improvements or if Mortgagor makes such a request but fails to complete restoration within a reasonable time, Mortgagee shall have the right, but not the duty, to release the proceeds thereof for use in restoring the Mortgaged Premises or any part thereof for or on behalf of Mortgagor in lieu of applying said proceeds to the indebtedness hereby secured and for such purpose may do all acts necessary to complete such restoration, including advancing additional funds, and any additional funds so advanced shall constitute part of the indebtedness hereby secured and shall be payable on demand with interest at the Default Rate or such lower rate of interest as Mortgagor and all of the Lenders may agree upon at the time such funds are advanced.

UNOFFICIAL COPY

10. *Eminent Domain.* To the extent permitted by the Lease, and subject at all times to the right of the Lessor under the Lease with respect to eminent domain (which rights Mortgagee hereby acknowledges are prior and superior to the rights of Mortgagee hereunder), Mortgagor acknowledges that Condemnation Awards have been assigned to Mortgagee, which awards Mortgagee is hereby irrevocably authorized to collect and receive, and to give appropriate receipts and acquittances therefor, and at Mortgagee's option, to apply the same toward the payment of the amount owing on account of the indebtedness hereby secured in such order of application as Mortgagee may elect and whether or not the same may then be due and payable or otherwise adequately secured, and Mortgagor covenants and agrees that Mortgagor will promptly give Mortgagee notice of any notice to Mortgagor of the actual or threatened commencement of any proceedings under condemnation or eminent domain affecting all or any part of the Mortgaged Premises including any easement therein or appurtenance thereof or severance and consequential damage and change in grade of streets, and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. To the extent permitted by the Lease and subject at all times to the rights of the Lessor under the Lease with respect to eminent domain (which rights Mortgagee hereby acknowledges are prior and superior to the rights of Mortgagee hereunder), Mortgagor further covenants and agrees to make, execute and deliver to Mortgagee, at any time or times upon request, free, clear and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or instruments deemed necessary by Mortgagee for the purpose of validly and sufficiently assigning all awards and other compensation heretofore and hereafter to be made to Mortgagor for any taking, either permanent or temporary, under any such proceeding.

11. *Construction, Repair, Waste, Etc.* Mortgagor agrees to permit, commit or suffer no waste, impairment or deterioration of the Mortgaged Premises or any part thereof; to keep and maintain said Mortgaged Premises and every part thereof in the condition required by the Lease; to effect such repairs as the Lease may require and from time to time to make all needful and proper replacements and additions so that said buildings, fixtures, machinery and appurtenances will, at all times, be in the condition required by the Lease; to comply with all statutes, orders, requirements or decrees relating to the Mortgaged Premises by any federal, state or municipal authority; to observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, but not limited to, zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions which are applicable to the Mortgaged Premises or which have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Mortgaged Premises or any part thereof and not to initiate or acquiesce in any changes to or terminations of any of the foregoing or of zoning classifications affecting the use to which the Mortgaged Premises or any part thereof may be put without the prior written consent of Mortgagee.

12. *Liens and Encumbrances.* Mortgagor will not, without the prior written consent of Mortgagee, directly or indirectly, create or suffer to be created or to remain and will discharge or promptly cause to be discharged any mortgage, lien, encumbrance or charge on, pledge of, or conditional sale or other title retention agreement with respect to, the Mortgaged Premises or any part thereof, whether superior or subordinate to the lien hereof, except for this Mortgage and the Permitted Encumbrances.

UNOFFICIAL COPY

13. *Right of Mortgagee to Perform Mortgagor's Covenants, Etc.* If Mortgagor shall fail to make any payment or perform any act required to be made or performed hereunder, Mortgagee, without waiving or releasing any obligation or default, may (but shall be under no obligation to) at any time thereafter make such payment or perform such act for the account and at the expense of Mortgagor, and may enter upon the Mortgaged Premises or any part thereof for such purpose and take all such action thereon as, in the opinion of Mortgagee, may be necessary or appropriate therefor. All sums so paid by Mortgagee and all costs and expenses (including without limitation attorneys' fees and expenses) so incurred, together with interest thereon from the date of payment or incurrence at the Default Rate, shall constitute so much additional indebtedness hereby secured and shall be paid by Mortgagor to Mortgagee on demand. Mortgagee in making any payment authorized under this Section relating to taxes or assessments may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax assessment, sale, forfeiture, tax lien or title or claim thereof. Mortgagee, in performing any act hereunder, shall be the sole judge of whether Mortgagor is required to perform same under the terms of this Mortgage so long as Mortgagee does so in good faith.

14. *After-Acquired Property.* Any and all property hereafter acquired which is of the kind or nature herein provided, or intended to be and become subject to the lien hereof, shall ipso facto, and without any further conveyance, assignment or act on the part of Mortgagor, become and be subject to the lien of this Mortgage as fully and completely as though specifically described herein; but nevertheless Mortgagor shall from time to time, if requested by Mortgagee, execute and deliver any and all such further assurances, conveyances and assignments as Mortgagee may reasonably require for the purpose of expressly and specifically subjecting to the lien of this Mortgage all such property.

15. *Inspection by Mortgagee.* Mortgagee, any Lender and any participant in the indebtedness hereby secured shall have the right to inspect the Mortgaged Premises at all reasonable times, and access thereto shall be permitted for that purpose, provided that all such inspections shall be made in compliance with applicable health and safety laws.

16. *Subrogation.* Mortgagor acknowledges and agrees that Mortgagee shall be subrogated to any lien discharged out of the proceeds of any extension of credit evidenced by the Notes or out of any advance by Mortgagee hereunder, irrespective of whether or not any such lien may have been released of record.

17. *Events of Default.* Any one or more of the following shall constitute an "Event of Default" hereunder:

- (a) default in the payment when due of any of the indebtedness hereby secured; or
- (b) the Mortgaged Premises or any part thereof shall be sold, transferred, or conveyed, whether voluntarily or involuntarily, by operation of law or otherwise, except for sales of obsolete, worn out or unusable fixtures or personal property which are concurrently replaced with similar fixtures or personal property at least equal in quality

UNOFFICIAL COPY

and condition to those sold and owned by Mortgagor free of any lien, charge or encumbrance other than the lien hereof; or

(c) any indebtedness secured by a lien or charge on the Mortgaged Premises or any part thereof which is or could become prior to the lien hereof is not paid when due or proceedings are commenced to foreclose or otherwise realize upon any such lien or charge or to have a receiver appointed for the property subject thereto or to place the holder of such indebtedness or its representative in possession thereof; or

(d) any event occurs or condition exists which is specified as an "*Event of Default*," under the Strack Credit Agreement; or

(e) the Mortgaged Premises is abandoned.

For the purposes of this Mortgage, the Mortgaged Premises shall be deemed to have been sold, transferred or conveyed in the event that more than fifty percent of the equity interest in Mortgagor shall be sold, transferred or conveyed, whether voluntarily or involuntarily, subsequent to the date hereof whether in one or a series of related or unrelated transactions.

18. *Remedies.* When any Event of Default has occurred and is continuing or (regardless of the pendency of any proceeding which has or might have the effect of preventing Mortgagor from complying with the terms of this instrument and of the adequacy of the security for the Notes, Reimbursement Obligations and the other indebtedness hereby secured), and in addition to such other rights as may be available under applicable law, but subject at all times to any mandatory legal requirements:

(a) *Acceleration.* Mortgagee may, by written notice to Mortgagor, declare the Notes, Reimbursement Obligations and all unpaid indebtedness hereby secured, including any interest then accrued thereon, to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without other notice or demand of any kind.

(b) *Uniform Commercial Code.* Mortgagee shall, with respect to any part of the Mortgaged Premises constituting property of the type in respect of which realization on a lien or security interest granted therein is governed by the Uniform Commercial Code, have all the rights, options and remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation, the right to the possession of any such property, or any part thereof, and the right to enter without legal process any premises where any such property may be found. Any requirement of said Uniform Commercial Code for reasonable notification shall be met by mailing written notice to Mortgagor at its address above set forth at least ten (10) days prior to the sale or other event for which such notice is required. The costs and expenses of retaking, selling, and otherwise disposing of said property, including attorneys' fees and legal expenses incurred in connection therewith, shall constitute so much additional indebtedness hereby secured and shall be payable upon demand with interest at the Default Rate.

UNOFFICIAL COPY

(c) *Foreclosure.* Mortgagee may proceed to protect and enforce the rights of Mortgagee hereunder (i) by any action at law, suit in equity or other appropriate proceedings, whether for the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof, or in aid of the exercise of any power granted hereby or by law, or (ii) by the foreclosure of this Mortgage.

(d) *Appointment of Receiver.* Mortgagee shall, as a matter of right, without notice and without giving bond to Mortgagor or anyone claiming by, under or through it, and without regard to the solvency or insolvency of Mortgagor or the then value of the Mortgaged Premises, be entitled to have a receiver appointed of all or any part of the Mortgaged Premises and the rents, issues and profits thereof, with such power as the court making such appointment shall confer, and Mortgagor hereby consents to the appointment of such receiver and shall not oppose any such appointment. Any such receiver may, to the extent permitted under applicable law, without notice, enter upon and take possession of the Mortgaged Premises or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove Mortgagor or other persons and any and all property therefrom, and may hold, operate and manage the same and receive all earnings, income, rents, issues and proceeds accruing with respect thereto or any part thereof, whether during the pendency of any foreclosure or until any right of redemption shall expire or otherwise.

(e) *Taking Possession, Collecting Rents, Etc.* Mortgagee may enter and take possession of the Mortgaged Premises or any part thereof and manage, operate, insure, repair and improve the same and take any action which, in Mortgagee's judgment, is necessary or proper to conserve the value of the Mortgaged Premises. Mortgagee may also take possession of, and for these purposes use, any and all personal property contained in the Mortgaged Premises and used in the operation, rental or leasing thereof or any part thereof. Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues and profits of the Mortgaged Premises or any part thereof (and for such purpose Mortgagor does hereby irrevocably constitute and appoint Mortgagee its true and lawful attorney-in-fact for it and in its name, place and stead to receive, collect and receipt for all of the foregoing, Mortgagor irrevocably acknowledging that any payment made to Mortgagee hereunder shall be a good receipt and acquittance against Mortgagor to the extent so made) and to apply same to the reduction of the indebtedness hereby secured. The right to enter and take possession of the Mortgaged Premises and use any personal property therein, to manage, operate and conserve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies of Mortgagee hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The costs and expenses (including any receiver's fees, counsels' fees, costs and agent's compensation) incurred pursuant to the powers herein contained shall be so much additional indebtedness hereby secured which Mortgagor promises to pay upon demand together with interest at the Default Rate. Mortgagee shall not be liable to account to Mortgagor for any action taken pursuant hereto other than to account for any rents actually received by Mortgagee. Without taking possession of the Mortgaged Premises, Mortgagee may, in the event the Mortgaged Premises becomes vacant or is abandoned, take such steps as it deems

UNOFFICIAL COPY

appropriate to protect and secure the Mortgaged Premises (including hiring watchmen therefor) and all costs incurred in so doing shall constitute so much additional indebtedness hereby secured payable upon demand with interest thereon at the Default Rate.

19. *Waiver of Right to Redeem From Sale - Waiver of Appraisalment, Valuation, Etc.* Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates comprising the Mortgaged Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Premises sold as an entirety. In the event of any sale made under or by virtue of this Mortgage, the whole of the Mortgaged Premises may be sold in one parcel as an entirety or in separate lots or parcels at the same or different times, all as the Mortgagee may determine. Mortgagee shall have the right to become the purchaser at any sale made under or by virtue of this Mortgage and Mortgagee so purchasing at any such sale shall have the right to be credited upon the amount of the bid made therefor by Mortgagee with the amount payable to Mortgagee out of the net proceeds of such sale. In the event of any such sale, the Notes, Reimbursement Obligations and the other indebtedness hereby secured, if not previously due, shall be and become immediately due and payable without demand or notice of any kind. Mortgagor hereby waives any and all rights of redemption prior to or from sale under any order or decree of foreclosure pursuant to rights herein granted, on behalf of Mortgagor, and each and every person acquiring any interest in, or title to the Mortgaged Premises described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by applicable law.

20. *Costs and Expenses of Foreclosure.* In any suit to foreclose the lien hereof there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee and any Lender for attorneys' fees, appraisers' fees, environmental auditors' fees, outlays for documentary and expert evidence, stenographic charges, publication costs and costs (which may be estimated as the items to be expended after the entry of the decree) of procuring all such abstracts of title, title searches and examination, guarantee policies, Torrens certificates and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute any foreclosure action or to evidence to the bidder at any sale pursuant thereto the true condition of the title to or the value of the Mortgaged Premises, all of which expenditures shall become so much additional indebtedness hereby secured which Mortgagor agrees to pay and all of such shall be immediately due and payable with interest thereon from the date of expenditure until paid at the Default Rate.

21. *Application of Proceeds.* The proceeds of any foreclosure sale of the Mortgaged Premises or of any sale of property pursuant to Section 18(b) hereof shall be distributed as provided in the Collateral Agency Agreement of even date herewith among the Collateral Agent and the Lenders.

UNOFFICIAL COPY

22. *Deficiency Decree.* If at any foreclosure proceeding the Mortgaged Premises shall be sold for a sum less than the total amount of indebtedness for which judgment is therein given, the judgment creditor shall be entitled to the entry of a deficiency decree against Mortgagor and against the property of Mortgagor for the amount of such deficiency.

23. *Mortgagee's and Lenders' Remedies Cumulative - No Waiver.* No remedy or right of Mortgagee or any Lender shall be exclusive of but shall be cumulative and in addition to every other remedy or right now or hereafter existing at law or in equity or by statute or otherwise. No delay in the exercise or omission to exercise any remedy or right accruing on any default shall impair any such remedy or right or be construed to be a waiver of any such default or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

24. *Mortgagee Party to Suits.* If Mortgagee shall be made a party to or shall intervene in any action or proceeding affecting the Mortgaged Premises or the title thereto or the interest of Mortgagee under this Mortgage (including probate and bankruptcy proceedings), or if Mortgagee employs an attorney to collect any or all of the indebtedness hereby secured or to enforce any of the terms hereof or realize hereupon or to protect the lien hereof, or if Mortgagee shall incur any costs or expenses in preparation for the commencement of any foreclosure proceedings or for the defense of any threatened suit or proceeding which might affect the Mortgaged Premises or the security hereof, whether or not any such foreclosure or other suit or proceeding shall be actually commenced, then in any such case, Mortgagor agrees to pay to Mortgagee, immediately and without demand, all reasonable costs, charges, expenses and attorney's fees incurred by Mortgagee in any such case, and the same shall constitute so much additional indebtedness hereby secured payable upon demand with interest at the Default Rate.

25. *Modifications Not to Affect Lien.* Mortgagee, without notice to anyone, and without regard to the consideration, if any, paid therefor, or the presence of other liens on the Mortgaged Premises, may in its discretion release any part of the Mortgaged Premises or any person liable for any of the indebtedness hereby secured, may extend the time of payment of any of the indebtedness hereby secured and may grant waivers or other indulgences with respect hereto and thereto, and may agree with Mortgagor to modifications to the terms and conditions contained herein or otherwise applicable to any of the indebtedness hereby secured (including modifications in the rates of interest applicable thereto), without in any way affecting or impairing the liability of any party liable upon any of the indebtedness hereby secured or the priority of the lien of this Mortgage upon all of the Mortgaged Premises not expressly released, and any party acquiring any direct or indirect interest in the Mortgaged Premises shall take same subject to all of the provisions hereof.

26. *Notices.* Except as otherwise specified herein, all notices hereunder shall be in writing (including, without limitation, notice by telecopy) and shall be given to the relevant party, and shall be deemed to have been made when given to the relevant party, in accordance with Section 11.7 of the Strack Credit Agreement.

UNOFFICIAL COPY

27. *Environmental Matters.*

(a) *Definitions.* The following terms when used herein shall have the following meanings:

“*CERCLA*” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §§9601 *et seq.*, and any future amendments.

“*Environmental Claim*” means any investigation, notice, violation, demand, allegation, action, suit, injunction, judgment, order, consent decree, penalty, fine, lien, proceeding or claim (whether administrative, judicial or private in nature) arising (a) pursuant to, or in connection with an actual or alleged violation of, any Environmental Law, (b) in connection with any Hazardous Material, (c) from any abatement, removal, remedial, corrective or response action in connection with a Hazardous Material, Environmental Law or order of a governmental authority, or (d) from any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

“*Environmental Law*” means any current or future Legal Requirement pertaining to (a) the protection of health, safety and the indoor or outdoor environment, (b) the conservation, management or use of natural resources and wildlife, (c) the protection or use of surface water or groundwater, (d) the management, manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation or handling of, or exposure to, any Hazardous Material, or (e) pollution (including any Release to air, land, surface water or groundwater), and any amendment, rule, regulation or directive issued thereunder.

“*Environmental Reports*” shall mean all reports of environmental site assessment heretofore delivered to Mortgagee by Mortgagor or Central Grocers Cooperative, Inc.

“*Hazardous Material*” means any substance, chemical, compound, product, solid, gas, liquid, waste, byproduct, pollutant, contaminant or material which is hazardous or toxic, and includes, without limitation, (a) asbestos, polychlorinated biphenyls and petroleum (including crude oil or any fraction thereof) and (b) any material classified or regulated as “hazardous” or “toxic” or words of like import pursuant to an Environmental Law.

“*Hazardous Material Activity*” means any activity, event or occurrence involving a Hazardous Material, including, without limitation, the manufacture, possession, presence, use, generation, transportation, treatment, storage, disposal, Release, threatened Release, abatement, removal, remediation, handling of or corrective or response action to any Hazardous Material.

“*Legal Requirement*” means any treaty, convention, statute, law, regulation, ordinance, license, permit, governmental approval, injunction, judgment, order, consent

UNOFFICIAL COPY

decree or other requirement of any governmental authority, whether federal, state, or local.

"Material Adverse Effect" means any change or effect that individually or in the aggregate is or is reasonably likely to be materially adverse to (a) the assets, operations, income, condition (financial or otherwise) or business prospects of the Borrower and its subsidiaries, taken as a whole, (b) the lien of any mortgage, deed of trust or other security agreement covering the Mortgaged Premises or any part thereof, (c) the ability of the Borrower and its subsidiaries taken as a whole, to perform their obligations under any loan agreement, promissory note, mortgage, deed of trust, security agreement or any other instrument or document evidencing or securing any indebtedness, obligations or liabilities of the Borrower and its subsidiaries taken as a whole, owing to the Lenders or setting forth terms and conditions applicable thereto or otherwise relating thereto, or (d) the condition or fair market value of the Mortgaged Premises.

"RCRA" means the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §§6901 *et seq.*, and any future amendments.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, migration, dumping, or disposing into the indoor or outdoor environment, including, without limitation, the abandonment or discarding of barrels, drums, containers, tanks or other receptacles containing or previously containing any Hazardous Material.

(b) *Representations and Warranties.* Except as set forth in the Environmental Reports and as disclosed to the Mortgagee in writing before the date hereof, the Mortgagor represents and warrants that: (i) the Mortgagor and the Mortgaged Premises comply in all material respects with all applicable Environmental Laws; (ii) the Mortgagor has obtained all governmental approvals required for its operations and the Mortgaged Premises by any applicable Environmental Law; (iii) the Mortgagor has not, and has no knowledge of any other person who has, caused any Release, threatened Release or disposal of any Hazardous Material at, on, about, or off the Mortgaged Premises and, to the knowledge of the Mortgagor, the Mortgaged Premises is not adversely affected by any Release, threatened Release or disposal of a Hazardous Material originating or emanating from any other property that has not been properly remediated; (iv) the Mortgaged Premises does not contain and has not contained any: (1) underground storage tank, (2) to the best of Mortgagor's knowledge and belief, amounts of asbestos containing building material, (3) any landfills or dumps, (4) hazardous waste management facility as defined pursuant to RCRA or any comparable state law, or (5) site on or nominated for the National Priority List promulgated pursuant to CERCLA or any state remedial priority list promulgated or published pursuant to any comparable state law; (v) except in the ordinary course of business but always in compliance with all applicable laws, rules and regulations, the Mortgagor has not used a material quantity of any Hazardous Material and has conducted no Hazardous Material Activity at the Mortgaged Premises; (vi) the Mortgagor has no liability for response or corrective action, natural resource damage or other harm pursuant to CERCLA, RCRA or any comparable state law; (vii) the Mortgagor is not subject to, has no notice or knowledge of and to the best of

UNOFFICIAL COPY

Mortgagor's knowledge and belief, is not required to give any notice of any Environmental Claim involving the Mortgagor or the Mortgaged Premises, and to the best of Mortgagor's knowledge and belief, there are no conditions or occurrences at the Mortgaged Premises which could reasonably be anticipated to form the basis for an Environmental Claim against the Mortgagor or the Mortgaged Premises; (viii) the Mortgaged Premises is not subject to any, and the Mortgagor has no knowledge of any imminent, restriction on the ownership, occupancy, use or transferability of the Mortgaged Premises in connection with any (1) Environmental Law or (2) Release, threatened Release or disposal of a Hazardous Material; and (ix) to the best of Mortgagor's knowledge and belief, there are no conditions or circumstances at the Mortgaged Premises which pose an unreasonable risk to the environment or the health or safety of persons.

(c) *Covenants.* The Mortgagor shall at all times do the following: (i) comply in all material respects with, and maintain the Mortgaged Premises in compliance in all material respects with, all applicable Environmental Laws; (ii) require that each tenant and subtenant, if any, of the Mortgaged Premises or any part thereof comply in all material respects with all applicable Environmental Laws; (iii) obtain and maintain in full force and effect all governmental approvals required by any applicable Environmental Law for operations at the Mortgaged Premises; (iv) cure any violation by it of applicable Environmental Laws; (v) not allow the presence or operation at the Mortgaged Premises of any (1) landfill or dump or (2) hazardous waste management facility or solid waste disposal facility as defined pursuant to RCRA or any comparable state law; (vi) not manufacture, use, generate, transport, treat, store, release, dispose or handle any Hazardous Material at the Mortgaged Premises except in the ordinary course of its business and in compliance at all times with all applicable laws, rules or regulations; (vii) within 10 business days notify the Mortgagee in writing of and provide any requested documents upon learning of any of the following in connection with the Mortgagor or the Mortgaged Premises: (1) any liability for response or corrective action, natural resource damage or other harm pursuant to CERCLA, RCRA or any comparable state law, (2) any Environmental Claim, (3) any violation of an Environmental Law or Release, threatened Release or disposal of a Hazardous Material, (4) any restriction on the ownership, occupancy, use or transferability arising pursuant to any (x) Release, threatened Release or disposal of a Hazardous Substance or (y) Environmental Law, or (5) any environmental, natural resource, health or safety condition, which could reasonably be anticipated to have a Material Adverse Effect; (viii) conduct at its expense any investigation, study, sampling, testing, abatement, cleanup, removal, remediation or other response action necessary to remove, remediate, clean up or abate any Release, threatened Release or disposal of a Hazardous Material as required by any applicable Environmental Law; (ix) abide by and observe any restrictions on the use of Mortgaged Premises imposed by any governmental authority as set forth in a deed or other instrument affecting the Mortgagor's interest therein; (x) promptly provide or otherwise make available to the Mortgagee any requested environmental record concerning the Mortgaged Premises which the Mortgagor possesses or can reasonably obtain; (xi) perform, satisfy, and implement any operation or maintenance actions required by any governmental authority or Environmental Law, or included in any no further action letter or covenant not to sue issued by any governmental authority under any Environmental Law; and (xii) from time to time upon the written request of the Mortgagee, timely provide at the Mortgagor's expense a report of an environmental assessment of reasonable scope, form and depth (including, where appropriate, invasive soil or groundwater sampling) by a consultant acceptable to the Mortgagee as to any

UNOFFICIAL COPY

matter for which notice is provided pursuant to the above requirements or which may be believed by the Mortgagee to form the basis of a material Environmental Claim in connection with the Mortgaged Premises. If such a requested environmental report is not delivered within 75 days after receipt of the Mortgagee's request, then the Mortgagee may arrange for the same, and the Mortgagor hereby grants to the Mortgagee and its representatives access to the Mortgaged Premises and a license to undertake such an assessment (including, where appropriate, invasive soil or groundwater sampling). The costs of any assessment arranged for by the Mortgagee pursuant to this provision shall be payable by the Mortgagor on demand and added to the indebtedness hereby secured.

28. *Liens Absolute, Etc.* The Mortgagor acknowledges and agrees that the liens and security interests hereby created are absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of the Mortgagee or any other holders of any of the indebtedness hereby secured, and without limiting the generality of the foregoing, the lien and security hereof shall not be impaired by any acceptance by the Mortgagee or any other holder of any of the indebtedness hereby secured of any other security for or guarantors upon any of the indebtedness hereby secured or by any failure, neglect or omission on the part of the Mortgagee or any other holder of any of the indebtedness hereby secured to realize upon to protect any of the indebtedness hereby secured or any collateral security therefor. The lien and security hereof shall not in any manner be impaired or affected by any sale, pledge, surrender, compromise, settlement, release, renewal, extension, indulgence, alteration, substitution, exchange, change in, modification or disposition of any of the indebtedness hereby secured, or of any collateral security therefor, or of any guaranty thereof, or of any loan agreement executed in connection therewith. In order to realize hereon and to exercise the rights granted Mortgagee hereby and under applicable law, there shall be no obligation on the part of Mortgagee or any other holder of any of the indebtedness hereby secured at any time to first resort for payment to the obligor on any note evidencing any of the indebtedness hereby secured or to any guaranty of any of the indebtedness hereby secured or any part thereof or to resort to any other collateral security, property, liens or any other rights or remedies whatsoever, and Mortgagee shall have the right to enforce this instrument irrespective of whether or not other proceedings or steps are pending seeking resort to or realization upon or from any of the foregoing.

29. *Direct and Primary Security - No Subrogation.* The lien and security herein created and provided for stands as direct and primary security for the Notes and the Applications as well as for any of the other indebtedness hereby secured. No application of any sums received by the Mortgagee in respect of the Mortgaged Premises or any disposition thereof to the reduction of the indebtedness hereby secured or any part thereof shall in any manner entitle Mortgagor to any right, title or interest in or to the indebtedness hereby secured or any collateral security therefor, whether by subrogation or otherwise, unless and until all indebtedness hereby secured has been fully paid and satisfied.

30. *Revolving Credit Loan.* The Mortgage is given to secure, among other things, a revolving credit loan and shall secure not only presently existing indebtedness under the Strack Credit Agreement, the Central Grocers Credit Agreement and the Guaranty but also future advances, whether such advances are obligatory or to be made at the option of Mortgagee, or otherwise, as are made within twenty (20) years from the date hereof, to the same extent as if

UNOFFICIAL COPY

such future advances were made on the date of the execution of this mortgage, although there may be no advance made at the time of execution of this Mortgage and although there may be no indebtedness hereby secured outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all indebtedness hereby secured, including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which the Mortgaged Premises are located. The total amount of indebtedness hereby secured may increase or decrease from time to time, but the total unpaid balance of indebtedness hereby secured (including disbursements which Mortgagee may make under this Mortgage, the Credit Agreement, the Applications or any other documents related thereto) at any one time outstanding shall not exceed a maximum principal amount of One Hundred Million Dollars (\$100,000,000) plus interest thereon and any disbursements made for payment of taxes, special assessments or insurance on the Mortgaged Premises and interest on such disbursements, together with any fees, costs or expenses which may be payable hereunder (all such indebtedness being hereinafter referred to as the "*maximum amount secured hereby*"). This Mortgage shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, exception solely taxes and assessments levied on the Mortgaged Premises, to the extent of the maximum amount secured hereby.

31. *Multisite Real Estate Transaction.* Mortgagor acknowledges that this Mortgage is one of several mortgages and other security documents (the aforesaid being together called the "*Other Security Documents*") which secure the indebtedness evidenced by the Notes, the Strack Credit Agreement, the Guaranty and the Applications. Mortgagor agrees that the lien of this Mortgage shall be absolute and unconditional and shall not in any manner be affected or impaired by any acts or omissions whatsoever of the Mortgagee and, without limiting the generality of the foregoing, the lien hereof shall not be impaired by any acceptance by the Mortgagee of any security for or guarantors upon any of the indebtedness hereby secured, or by any failure, neglect or omission on the part of the Mortgagee to realize upon or protect any of the indebtedness hereby secured or any security therefor including the Other Security Documents. The lien hereof shall not in any manner be impaired or affected by any release (except as to the property released), sale, pledge, surrender, compromises, settlement, renewal, extension, indulgence, alteration, changing, modification or disposition of any of the indebtedness hereby secured or of any of the collateral security therefor, including, without limitation, the Other Security Documents or of any guarantee thereof, and the Mortgagee may at its discretion foreclose, exercise any power of sale, or exercise any other remedy available to it under any or all of the Other Security Documents without first exercising or enforcing any of its rights and remedies hereunder. Such exercise of Mortgagee's rights and remedies under any or all of the Other Security Documents shall not in any manner impair the indebtedness hereby secured, except to the extent of payment, or the lien of this Mortgage and any exercise of the rights or remedies of Mortgagee hereunder shall not impair the lien of any of the Other Security Documents or any of Mortgagee's rights and remedies thereunder. Mortgagor specifically consents and agrees that Mortgagee may exercise its rights and remedies hereunder and under the Other Security Documents separately or concurrently and in any order that it may deem appropriate.

32. *Default Rate.* For purposes of this Mortgage, the term "Default Rate" shall mean the rate per annum determined by adding 3% to the rate per annum announced from time to time

UNOFFICIAL COPY

by Harris Trust and Savings Bank as its prime commercial rate, with any change in such rate per annum as so determined by reason of a change in such prime commercial rate to become effective on the date of such change in said prime commercial rate.

33. *Governing Law.* The creation of the Mortgage, the perfection of the lien or security interest in the Mortgaged Premises, and the rights and remedies of Mortgagee with respect to the Mortgaged Premises, as provided herein and by the laws of the state in which the Mortgaged Premises is located, shall be governed by and construed in accordance with the internal laws of the state in which the Mortgaged Premises is located without regard to principles of conflicts of law. Otherwise, the Strack Credit Agreement, the Notes, the Applications, the Guaranty, and all other obligations of Mortgagor (including, but not limited to, the liability of Mortgagor for any deficiency following a foreclosure of all or any part of the Mortgaged Premises) shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to principles of conflicts of laws, such state being the state where such documents were executed and delivered.

34. *Agent.* Mortgagee has been appointed as collateral agent pursuant to the Collateral Agency Agreement of even date herewith among the Mortgagee, as Collateral Agent thereunder, and the Lenders. In acting under or by virtue of this Mortgage, Mortgagee shall be entitled to all the rights, authority, privileges and immunities provided in the Collateral Agency Agreement, all of which provisions are incorporated by reference herein with the same force and effect as if set forth herein. Mortgagee hereby disclaims any representation or warranty to Lenders concerning the perfection of the security interest granted hereunder or the value of the Mortgaged Premises.

35. *Business Loan.* Mortgagor acknowledges and agrees that the indebtedness hereby secured constitutes a loan in which the debt is incurred primarily for a purpose other than a personal, family or household purpose under Indiana Statutes §24-4.5--1-202(7) (Burns Ind. Stat. Ann. 1990 Supp.), as amended for purposes of the exception to the usury laws of the State of Indiana.

36. *Partial Invalidity.* All rights, powers and remedies provided herein are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, unenforceable or not entitled to be recorded, registered or filed under any applicable law. If any term of this Mortgage shall be held to be invalid, illegal or unenforceable, the validity and enforceability of the other terms of this Mortgage shall in no way be affected thereby.

37. *Successors and Assigns.* Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Mortgage contained by or on behalf of Mortgagor, or by or on behalf of Mortgagee, shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

38. *Headings.* The headings in this instrument are for convenience of reference only and shall not limit or otherwise affect the meaning of any provision hereof.

UNOFFICIAL COPY

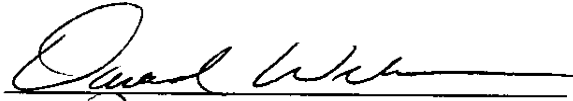
39. *Changes, Etc.* This instrument and the provisions hereof may be changed, waived, discharged or terminated only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought.

Property of Cook County Clerk's Office

UNOFFICIAL COPY


IN WITNESS WHEREOF, Mortgagor has caused these presents to be signed and sealed the day and year first above written.

SVT, LLC

By 
Its President

(SEAL)

ATTEST:


Its _____ Secretary

Property of Cook County Clerk's Office

UNOFFICIAL COPY

Schedule 1

LEGAL DESCRIPTION

The East 140 feet of that part of Lot 1 in Weinacker's Subdivision of parts of Sections 29 and 32, Township 36 North, Range 15 East of the Third Principal Meridian in Cook County, Illinois, according to the plat thereof recorded June 17, 1923, as Document No. 5209264 in Book 124 of Plats, Page 6, falling within the East 5 chains of Section 32 aforesaid excepting therefrom the following:

Commencing at a point on the South right-of-way line of Ridge Road which is 120.00 feet West of the Indiana-Illinois State Line; thence Southeasterly along such South right-of-way line a distance of 121.84 feet, more or less, to the Indiana-Illinois State Line; thence South along the Indiana-Illinois State Line a distance of 125.00 feet to a point; thence Northwesterly and parallel to the South right-of-way line of Ridge Road a distance of 121.84 feet, more or less, to a point which is 120.00 feet West of the Indiana-Illinois State Line; thence North and parallel to the Indiana-Illinois State Line a distance of 125.00 feet to the point of beginning, in Cook County, Illinois.

30-32-404-013

372^a ridge rd

00894626