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**Illinois Anti-Predatory
Lending Database
Program**

Certificate of Exemption

Doc#: 1308042180 **Fee:** \$100.00
RHSP Fee:\$10.00 Affidavit Fee:
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 03/21/2013 02:42 PM Pg: 1 of 32

**Report Mortgage Fraud
800-532-8785**

The property identified as: **PIN:** 02-23-100-008-0000

Address:

Street: 45 Plum Grove Road

Street line 2:

City: Palatine

State: IL

ZIP Code: 60067

Lender: SELF-INSURERS' SECURITY FUND

Borrower: JETCO PROPERTIES, INC.

Loan / Mortgage Amount: \$1,000,000,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is commercial property.

Certificate number: E6753E96-FF25-480E-BD37-702BDDAC4755

Execution date: 03/21/2013

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This document prepared by,
and after recording, return to:

Nixon Peabody LLP
437 Madison Avenue
New York, New York 10022
Attn: William X. Lang, Esq.

Above space for Recorder's Use Only

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

JETCO PROPERTIES, INC.

Mortgagor

to

SELF-INSURERS' SECURITY FUND

Mortgagee

DATED: As of March 21, 2013

Premises located in:

City of Palatine, County of Cook, State of Illinois

Store 3445

587291-82

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Exhibit A Description of the Land
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Property of Cook County
 Cook County
 RECORDER OF DEEDS
 SCANNED BY
 Office

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MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (this "**Mortgage**") made as of this 21 day of March, 2013 by **JETCO PROPERTIES, INC.**, a Delaware corporation, having an office at c/o New Albertson's, Inc., 250 Parkcenter Blvd., Boise, Idaho 83706, Attention: Legal Department (the "**Mortgagor**"), to **SELF-INSURERS' SECURITY FUND** (together with its successors and assigns, the "**Mortgagee**"), having an office at 100 Pringle Avenue, Suite 525, Walnut Creek, California 94596.

WITNESSETH:

WHEREAS, Mortgagor is the owner of the fee interest in those certain parcels of land lying and being situated in the County of Cook, State of Illinois, as more particularly described in Exhibit A attached hereto;

WHEREAS, Mortgagor, SUPERVALU INC., the self-insured direct and indirect subsidiaries of SUPERVALU INC., the Mortgagee and the "Purchaser Parties" (as such term is defined in the Settlement Agreement) have entered into that certain Settlement Agreement, dated as of the date hereof (the "**Settlement Agreement**");

WHEREAS, pursuant to the Settlement Agreement, Mortgagor, the SVU Parties, the NAI Entities (as such terms are defined in the Settlement Agreement) and the Purchaser Parties agreed to perform certain actions and obligations (now existing or hereafter arising in accordance with the Settlement Agreement) for the benefit of Mortgagee and the Director of the California Department of Industrial Relation, all as more particularly set forth in the Settlement Agreement (the "**Obligations**"); provided, however, that the maximum indebtedness secured by this Mortgage shall not exceed \$1,000,000,000.00; and

WHEREAS, Mortgagor has agreed to execute and deliver to Mortgagee this Mortgage in order to better secure the performance of the Obligations; and

NOW, THEREFORE, for and in consideration of the mutual covenants herein contained and other good and valuable consideration, including Mortgagee's entering into the Settlement Agreement, the receipt and legal sufficiency of which are hereby expressly acknowledged by all parties, to secure the full and complete payment and performance of the Obligations, including Mortgagor's, New Albertson's Inc.'s and their other affiliates' performance of their obligations pursuant to the Settlement Agreement and the other Settlement Documents (hereinafter defined) and the Mortgagor's obligations under this Mortgage, Mortgagor does hereby grant, pledge, mortgage, warrant, sell, transfer, assign, and convey unto Mortgagee subject only to the Permitted Liens and Existing Liens (as each is defined below), all of its right, title and interest in the following (collectively, the "**Property**"):

A. All that certain land situated in the City of Palatine, County of Cook, and State of Illinois, and more particularly described in Exhibit A annexed hereto and made a part hereof (collectively, the "**Land**").

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B. All the buildings, structures and improvements, now or at any time hereafter erected on the Land or any part thereof (collectively, the “**Buildings**”).

C. All fixtures of every kind and nature whatsoever now or hereafter located in, on or about any one or more of the Buildings or upon the Land, or attached to or used or useable in connection with the operation or maintenance of the Land or any one or more of the Buildings, or any part thereof, and now owned or hereafter acquired by Mortgagor (collectively, the “**Building Equipment**”; the Land, the Buildings and the Building Equipment being hereafter sometimes collectively referred to as the “**Premises**”).

D. All right, title and interest of Mortgagor, whether now owned or hereafter acquired, in and to any opened or proposed avenues, streets, roads, public places, sidewalks, alleys, strips or gores of land, in front of or adjoining the Land or any one or more of the Buildings and all easements, tenements, hereditament, appurtenances, rights and rights of way, public or private, pertaining or belonging to the Land or any one or more of the Buildings.

E. All insurance proceeds and all awards and payments, subject to applicable provisions of this Mortgage, including interest thereon, and the right to receive the same, which may be made in respect of all or any part of any of the Premises or any estate or interest therein or appurtenant thereto, as a result of damage to or destruction of all or any part of any of the Premises, the exercise of the right of condemnation or eminent domain, the closing of, or the alteration of the grade of, any street on or adjoining the Land, or any other injury to or decrease in the value of all or any part of any of the Premises.

F. All right, title and interest of Mortgagor in and to any and all present and future Leases (as defined in Paragraph 44) of all or any part of the Premises, and in and to the rents, issues and profits payable thereunder and cash or securities deposited thereunder as lessees' security deposits.

G. All franchises, permits, licenses and rights therein respecting the use, occupation and operation of the Premises or the activities conducted thereon or therein.

H. All right, title and interest of Mortgagor in and to any minerals, oil or gas located on, under or appurtenant to the Land.

I. All right, title and interest of Mortgagor in and to any tax refunds with respect to the Premises.

J. To the extent assignable, all of Mortgagor's interest in and to all agreements, contracts, certificates, instruments and other documents, now or hereafter entered into, pertaining to the construction, operation or management of the Premises and all right, title and interest of Mortgagor therein (collectively, the “**Contracts**”).

K. All of Mortgagor's interest in and to all easements, rights, licenses, privileges and appurtenances including, without limitation, development and air rights now or hereafter belonging or in any way appertaining to the Land.

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L. All of the estate and rights of Mortgagor now or hereafter acquired in and to land lying in streets, roads, ways and alleys, open or proposed, adjoining or contiguous to the Land.

M. The rents, issues and profits of any of the foregoing.

TO HAVE AND TO HOLD the Property unto Mortgagee, its successors and assigns, forever, HEREBY RELEASING AND WAIVING ALL RIGHTS UNDER AND BY VIRTUE OF THE HOMESTEAD EXEMPTION LAWS OF THE STATE OF ILLINOIS. Provided, that if (i) Mortgagor shall perform all of its obligations hereunder and (ii) the Obligations have been paid and/or performed, then this Mortgage shall be released without warranty, at the cost and request of Mortgagor.

AND MORTGAGOR COVENANTS, REPRESENTS AND WARRANTS TO AND FOR THE BENEFIT OF MORTGAGEE AS FOLLOWS:

1. Payment of Obligations and Performance of Covenants and Agreements. Mortgagor shall, or shall cause its affiliates to, pay and perform the Obligations (now existing or hereafter arising in accordance with the Settlement Agreement) when due in accordance with the provisions of the Settlement Agreement and this Mortgage, and any other documents executed in connection with the Settlement Agreement (hereinafter, collectively, the “**Settlement Documents**”) and perform the covenants and agreements of Mortgagor set forth in the Settlement Documents. Upon the full and complete performance of all of the Obligations in accordance with the Settlement Documents, upon the written request of Mortgagor, Mortgagee will, at the sole cost and expense of Mortgagor, execute and deliver a release of the lien from this Mortgage in a reasonable customary form. Notwithstanding the foregoing, or anything else contained in this Mortgage, the maximum indebtedness secured by this Mortgage shall not exceed \$1,000,000,000.00.

2. Title to Property. Mortgagor represents and warrants that (a) it owns good and marketable fee simple title to the Premises, (b) it has full power and lawful authority to make this Mortgage in accordance with the terms hereof, (c) Mortgagor has obtained any and all consents and approvals necessary or required for the making of this Mortgage, and the making of this Mortgage will not violate any contract or agreement to which Mortgagor is a party or by which the Property is bound, and (d) the Premises is free of all liens, encumbrances, adverse claims and other defects of title whatsoever except those items listed on Exhibit B annexed hereto and made a part hereof (collectively, the “**Existing Liens**”) and Permitted Liens. Mortgagor does hereby and shall forever warrant and defend its title to and interest in the Property and the validity and priority of the lien of this Mortgage, subject to the Existing Liens and the Permitted Liens, to Mortgagee, and its respective successors and assigns, against all claims and demands whatsoever of any person or entity. As of the date hereof, there are no defenses or offsets to this Mortgage or to the Obligations. For purposes of this Mortgage, the term “**Permitted Liens**” shall mean the following:

- (i) Liens created by the Settlement Documents;
- (ii) The Existing Liens;

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(iii) Liens for taxes or other governmental charges not at the time delinquent or thereafter payable without penalty or being contested pursuant to the provisions of Section 4(a) hereof;

(iv) Liens arising in the ordinary course of business (i) in favor of carriers, warehousemen, mechanics and materialmen, and other similar liens imposed by law and (ii) in connection with worker's compensation, unemployment compensation and other types of social security (excluding liens arising under ERISA) or in connection with surety bonds, bids, performance bonds and similar obligations for sums not overdue and not involving any deposits or advances or borrowed money or the deferred purchase price of property or services and, in each case, for which it maintains adequate reserves; and

(v) easements, rights of way, restrictions, minor defects or irregularities in title and other similar liens not interfering in any material respect with the ordinary conduct of the business of Mortgagor.

3. Insurance. Mortgagor shall maintain in full force and effect with respect to the Premises the insurance as required by Section 5.3.2 of the Settlement Agreement.

4. Impositions.

(a) Mortgagor shall pay, not later than the final delinquency date thereof (and if payable in installments, not later than the installment final delinquency date), all real estate taxes, personal property taxes, assessments, water rates and sewer rents, license fees, all charges which may be imposed for the use of vaults, chutes, areas and other space beyond the lot line and abutting the public sidewalks in front of or adjoining the Land, and any other amounts which could be or become a lien upon or against the Property or any part thereof (collectively, the "**Impositions**"); provided, no such Imposition need be paid if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as adequate reserve or other appropriate provision, as shall be required in conformity with generally accepted accounting principles (GAAP) shall have been made therefor. Notwithstanding the foregoing, Mortgagor shall promptly, and in any event on demand, pay such contested Imposition if at any time all or any part of the Property shall be in danger of being foreclosed, sold, forfeited, or otherwise lost or if such contest shall be discontinued. During the continuance of any Event of Default, upon demand by Mortgagee, Mortgagor will pay the whole of any assessment (an "**Assessment**") for local improvements which may be payable in installments, notwithstanding that such installments may not be due and payable at the time of such demand.

(b) Mortgagor shall, upon request of Mortgagee, deliver to Mortgagee, within twenty (20) days after the final delinquency date thereof of any Imposition, receipts evidencing such payment or other proof of payment satisfactory to Mortgagee.

5. Maintenance and Alterations. Mortgagor will maintain or cause to be maintained in good repair, working order and condition, ordinary wear and tear excepted, the Premises and from time to time will make or cause to be made all appropriate repairs, renewals and

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replacements thereof.

6. Leasing. Mortgagor represents that, to its actual knowledge, as of the date hereof there are no Leases (other than any Ordinary Course Leases (hereinafter defined)) now in effect on the Premises, except for those Leases indicated on Schedule A attached hereto and made a part hereof, and all such Leases (other than any Ordinary Course Leases) currently in effect are, by their express terms or pursuant to a separate subordination agreement, subordinate to the lien of this Mortgage. Except for any Ordinary Course Lease, Mortgagor shall not enter into any Lease of all or any part of any of the Premises without in each instance obtaining Mortgagee's prior written consent thereto, which consent shall not be unreasonably withheld, conditioned or delayed. For avoidance of doubt, it is agreed that no consent of Mortgagee shall be required for Mortgagor to enter into any Ordinary Course Lease. Mortgagor shall deliver to Mortgagee a duplicate original of each Lease (including any Ordinary Course Lease) promptly after the execution thereof. At the option of Mortgagee (but subject to any applicable non-disturbance agreement that may have been or may be entered into with or agreed to by Mortgagee), each Lease, including any Ordinary Course Lease, entered into after the date hereof, and all renewals, replacements, extensions, and modifications thereof, and all rights of the tenant thereunder, shall be subject and subordinate to this Mortgage, either through express language contained in such Lease or pursuant to a separate subordination agreement or due to the fact that such Lease has been entered into after the date hereof, and to each and every advance made or thereafter made hereunder or under the other Settlement Documents and to all renewals, additions, amendments, supplements, modifications, consolidations, spreads, replacements, and extensions of this Mortgage. Mortgagor shall fully and promptly perform (or cause to be performed) all of the material obligations to be performed by the lessor or licensor under any and all Leases except to the extent Mortgagor determines, in its good faith business judgment, that it is prudent for Mortgagor not to do so with respect to any particular obligations. To the extent Mortgagor determines, in its good faith business judgment, that it is prudent to do so, Mortgagor shall use commercially reasonable efforts to enforce (or cause the enforcement of) the performance and observance of each and every material obligation to be performed or observed by the lessees or licensees under such Leases. Except with respect to Ordinary Course Leases, upon becoming aware thereof, Mortgagor shall give prompt notice to Mortgagee of (a) any written notice received by Mortgagor of any default by the lessor or licensor under any Lease, (b) the commencement of any action or proceeding by any lessee the purpose of which shall be the cancellation of any Lease or a diminution or abatement of the rent payable thereunder or (c) any written notice of default given by Mortgagor to the lessee or licensee under any Lease; and Mortgagor will cause a copy of any such written pleading or notice received or served by Mortgagor in reference to any such action, defense or claim to be promptly delivered to Mortgagee. Mortgagor shall repay or apply any security deposits or advance rent given on account of any Lease only in accordance with the provisions of the applicable Lease.

7. Recording, Filing and Other Fees. Mortgagor shall pay all recording and filing fees, all recording taxes, and all other costs and expenses in connection with the preparation, execution and recordation and other manner of perfection of this Mortgage and any other Settlement Documents, and shall reimburse Mortgagee within ten (10) business days after written demand for all actual out-of-pocket costs and expenses of any kind incurred by Mortgagee in connection therewith (including, without limitation, reasonable attorneys' fees and disbursements). Mortgagor will, at any time on request of Mortgagee, execute or cause to be

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executed financing statements, continuation statements, or the like, in respect of any Building Equipment or any portion of the Premises for which such statements are determined, by Mortgagee, to be appropriate or advisable. Mortgagor shall pay all filing fees, including fees for filing continuation statements, in connection with such financing statements.

8. Taxes Imposed on Mortgagee. Mortgagor shall pay all taxes (except income, inheritance and franchise taxes, taxes on the receipt of debt service payments, or taxes in lieu of any of the foregoing) imposed on Mortgagee by reason of its ownership of this Mortgage or any of the other Settlement Documents. Mortgagor shall pay all general taxes before any penalty or interests attaches, and shall pay special taxes, special assessments, water charges, sewer service charges, and all other charges against the Premises of any nature whatsoever when due, and shall furnish to Mortgagee duplicate receipts therefor within thirty (30) days following the date of payment. Mortgagor shall pay in full "under protest" any tax or assessment Mortgagee may desire to contest, in the manner provided by law.

9. Compliance with Laws, etc. Mortgagor shall comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of any applicable governmental authority (including all environmental laws).

10. Inspection. Mortgagee and its authorized representatives shall have the right, at Mortgagee's option, at reasonable times during normal business hours and upon reasonable prior written notice, and as often as may be reasonably requested, to enter the Premises for the purpose of inspecting the same.

11. Intentionally omitted.

12. Condemnation. Mortgagor shall give notice to Mortgagee upon Mortgagor receiving written notice of the commencement of any action or proceeding to take all or any material part of the Premises by exercise of the right of condemnation or eminent domain or of any action or proceeding to close or to alter the grade of any street on or adjoining the Land. Mortgagee may participate in any such action or proceeding in the name of Mortgagee or, whenever necessary, in the name of Mortgagor, and Mortgagor shall deliver to Mortgagee such instruments as Mortgagee shall request to permit such participation. Mortgagor shall not settle any such action or proceeding or agree to accept any award or payment (hereinafter called an "Award") without the prior written consent of Mortgagee (which consent shall not be unreasonably withheld, conditioned or delayed) and such Award shall be deposited by Mortgagor into a segregated bank account established by Mortgagor (the "**Segregated Account**") at a financial institution reasonably acceptable to Mortgagee and upon the establishment of the Segregated Account it shall become part of the collateral secured by this Mortgage, and Mortgagor shall execute and/or delivery any documentation reasonably requested by Mortgagee to effectuate Mortgagee's security interest in such Segregated Account. Notwithstanding the foregoing, Mortgagee shall not be entitled to participate with respect to, and Mortgagee's consent shall not be required in connection with, the settlement or receipt of any Award, or combination of Awards, received by Mortgagor and any of the Contemporaneous Mortgagors (hereinafter defined) and Mortgagor shall not be required to deposit such Award in the Segregated Account, provided that (i) the full amount of such Award will be used by Mortgagor or its affiliate for the repair, rebuilding, replacement or restoration of the Premises or (ii) the total amount of such Awards (other than

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any such Awards which have been or will be used by Mortgagor or its affiliate for the repair, rebuilding, replacement or restoration of the Premises or the real property or improvements encumbered by any Contemporaneous Mortgage) is less than \$30,000,000.00 in the aggregate (i.e. the amount of any Award (other than any such Awards which have been or will be used by Mortgagor or its affiliate for the repair, rebuilding, replacement or restoration of the Premises or the real property or improvements encumbered by any Contemporaneous Mortgage), together with any previous Award (other than any such Awards which have been or will be used by Mortgagor or its affiliate for the repair, rebuilding, replacement or restoration of the Premises or the real property or improvements encumbered by any Contemporaneous Mortgage) received by Mortgagor and/or any other Contemporaneous Mortgagor, is less than \$30,000,000.00), provided, however that Mortgagor shall give notice to Mortgagee of settlement of such Award or Awards and the amounts thereof.

13. Restoration. If the Buildings or the Building Equipment shall be damaged or destroyed, in whole or in part, by fire or other casualty, or by any taking in condemnation proceedings or the exercise of any right of eminent domain, Mortgagor shall (or shall cause its applicable affiliate to) either (i) promptly restore, replace or rebuild the same to as nearly as possible the value, quality and condition they were in immediately prior to such fire or other casualty or taking, with such alterations or changes as may be approved in writing by Mortgagee which approval shall not be unreasonably withheld or delayed or (ii) unless the deposit thereof in the Segregated Account is not required in accordance with the immediately following sentence, deposit all Award and insurance proceeds received in connection therewith (the "Proceeds") into the Segregated Account. Notwithstanding the foregoing, Mortgagee's consent shall not be required in connection with the settlement or receipt of any Proceeds, or combination of Proceeds, received by Mortgagor and any of the Contemporaneous Mortgagors (hereinafter defined) and Mortgagor shall not be required to deposit such Proceeds in the Segregated Account, provided that (i) the full amount of such Proceeds will be used by Mortgagor or its affiliate for the repair, rebuilding or restoration of the Premises or (ii) the aggregate amount of the Proceeds (other than any such Proceeds which have been or will be used by Mortgagor or its affiliate for the repair, rebuilding, replacement or restoration of the Premises or the real property or improvements, encumbered by any Contemporaneous Mortgage) are less than \$30,000,000.00 in the aggregate (i.e. the amount of the Proceeds (other than any such Proceeds which have been or will be used by Mortgagor or its affiliate for the repair, rebuilding, replacement or restoration of the Premises or the real property or improvements, encumbered by any Contemporaneous Mortgage), together with any previous Proceeds (other than any such Proceeds which have been or will be used by Mortgagor or its affiliate for the repair, rebuilding, replacement or restoration of the Premises or the real property or improvements, encumbered by any Contemporaneous Mortgage) received by Mortgagor and/or any other Contemporaneous Mortgagor, is less than \$30,000,000.00), provided, however that Mortgagor shall give notice to Mortgagee of settlement of such Proceeds and the amounts thereof. Mortgagor shall give prompt notice to Mortgagee of any damage or destruction to the Buildings or Building Equipment by fire or other casualty (except for any casualty causing only de minimis damage), as well as the initiation of any condemnation or eminent domain proceeding affecting the same.

14. Default.

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(a) Any Event of Default under the Settlement Agreement shall constitute an "Event of Default" hereunder.

(b) All notice and cure periods provided in the Settlement Agreement shall run concurrently with any notice and cure periods provided under applicable law.

15. Mortgagee's Right to Perform Mortgagor's Covenants. If there shall be an Event of Default, Mortgagee may, at its option, cure such Event of Default, and Mortgagee and its representatives shall have the right to enter the Premises to do so, and the amounts advanced by, and the other actual out-of-pocket costs and expenses incurred by Mortgagee in curing such Event of Default shall, on demand, be immediately due from Mortgagor to Mortgagee and shall be secured by this Mortgage.

16. Contemporaneous Mortgages. THIS MORTGAGE IS MADE CONTEMPORANEOUSLY WITH APPROXIMATELY ONE HUNDRED (100) OTHER MORTGAGES OF EVEN DATE HERewith (as any of the same may be amended, supplemented, restated, severed, consolidated, spread, partially released, increased or otherwise modified from time to time, the "**Contemporaneous Mortgages**") GIVEN TO MORTGAGEE BY MORTGAGOR AND OTHER RELATED PARTIES (hereinafter "**Contemporaneous Mortgagors**") COVERING PROPERTY LOCATED IN THE STATES OF ILLINOIS, INDIANA AND IOWA. The Contemporaneous Mortgages secure the Obligations. Upon the occurrence of an Event of Default, Mortgagee may proceed under this Mortgage and/or any one or more of the Contemporaneous Mortgages against any of such property and/or the Property in one or more parcels and in such manner and order as Mortgagee shall elect. Mortgagor hereby irrevocably waives and releases, to the extent permitted by law, whether now or hereafter in force, any right to have the property and/or the Property covered by the Contemporaneous Mortgages marshalled upon any foreclosure of this Mortgage or the Contemporaneous Mortgages.

17. Appointment of Receiver. After the occurrence and during the continuance of an Event of Default, Mortgagee may apply for the appointment of a receiver of the Rents (as defined in Paragraph 44), issues, and profits of all or any part of the Property from whatever source derived and thereupon it is hereby expressly covenanted and agreed that the court shall forthwith appoint such receiver with the usual powers and duties of receivers in like cases; and said appointment shall be made in accordance with applicable law, and Mortgagee shall be entitled to the appointment of such receiver as a matter of right, to the extent not prohibited by applicable law, without consideration of the value of the Property as security for the amounts due to Mortgagee or the solvency of any person or entity liable for the payment of such amounts. Mortgagor hereby specifically waives the right to object to the appointment of a receiver as aforesaid as an admitted equity and as a matter of absolute right to Mortgagee. In order to maintain and preserve the Property and to prevent waste and impairment of its security, Mortgagee may, at its option, advance monies to the appointed receiver and all such sums advanced shall become secured obligations under this Mortgage.

18. Intentionally omitted.

19. Judicial Foreclosure. After the occurrence and during the continuance of an Event of

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Default, Mortgagee may institute an action of foreclosure, or take such other action as the law may allow, at law or in equity, for the enforcement hereof and realization on the Property or any other security which is herein or elsewhere provided for, and proceed thereon to final judgment and execution thereon for the entire principal then outstanding under the Settlement Documents, together with all other sums secured by this Mortgage, all costs of suit, including, without limitation, the expenses which are described in Paragraphs 27 and 31, and interest at the rate applicable to federal court judgments on any judgment obtained by Mortgagee from and after the date of any judicial sale of any of the Property until actual payment. Upon any sale or sales made hereunder, under or by virtue of judicial proceedings or of a judgment or decree of foreclosure and sale, Mortgagee may bid for and acquire any of the Property or any part thereof and in lieu of paying cash therefor may make settlement for the purchase price by crediting against the Obligations the net sales price after deducting therefrom the expenses of the sale and the costs of the action and any other sums which Mortgagee is authorized to deduct under this Mortgage. The proceeds of such sale shall be applied first to the payment of the costs and charges of such sale, including, without limitation, Mortgagee's reasonable attorneys' fees, (to the extent permitted by law), and second to the payment of the Obligations, the surplus money, if any, to be paid to the person(s) or entity(s) legally entitled thereto (including Mortgagor, to the extent so entitled, if at all). The obligation of Mortgagor to so execute and file such waiver shall survive the termination of this Mortgage. Following a foreclosure sale, the sheriff shall deliver to the purchaser the sheriff's deed (and bill of sale as to any personalty) conveying the property so sold without any covenant or warranty, express or implied.

20. Sale in Parcels. In the event of a foreclosure of this Mortgage or upon any sale under this Mortgage pursuant to judicial proceedings or otherwise, the Property may be sold in one parcel and as an entirety or in such parcels, manner or order as Mortgagee in its sole discretion may select.

21. Notice Upon Acceleration. Whenever Mortgagee in this Mortgage is given the option to accelerate the maturity of all or part of the Obligations upon the occurrence of an Event of Default, Mortgagee may, to the extent permitted by law, do so without prior notice or demand to or upon Mortgagor except as otherwise specifically provided herein.

22. Possession of Premises. To the extent permitted by law, after the occurrence and during the continuance of an Event of Default, Mortgagee and its agents and any receiver appointed by a court are authorized to (a) take possession of the Premises, with or without legal action; (b) lease the Premises or make modifications to or cancel Leases; (c) maintain, repair, alter, and restore the Premises; (d) with or without taking possession, collect all Rents and profits payable under all Leases directly from the lessees thereunder upon notice to each such lessee that an Event of Default exists under this Mortgage accompanied by a demand on such lessee for the payment to Mortgagee of all Rents due and to become due under its Lease, and Mortgagor FOR THE BENEFIT OF MORTGAGEE AND EACH SUCH LESSEE hereby covenants and agrees that the lessee shall be under no duty to question the accuracy of Mortgagee's statement of default and shall unequivocally be authorized to pay said Rents to Mortgagee without regard to the truth of Mortgagee's statement of an Event of Default and notwithstanding notices from Mortgagor disputing the existence of an Event of Default such that the payment of rent by the lessee to Mortgagee pursuant to such a demand shall constitute performance in full of the lessee's obligation under the Lease for the payment of Rents by the lessee to Mortgagor; and

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(e) after deducting all costs of collection and administration expense, apply the net Rents and profits to the payment of Impositions, insurance premiums and all other carrying charges (including, without limitation, agents' compensation and fees and reasonable costs of counsel to the extent permitted by law, and receivers) and to the maintenance, repair or restoration of the Premises, or on account and in reduction of the Obligations in such order and amounts as Mortgagee in Mortgagee's sole discretion may elect. Mortgagee shall be liable to account only for Rents and profits actually received by Mortgagee.

23. Expenses of Mortgagee. All sums (including reasonable attorneys' fees and disbursements, to the extent permitted by law) paid by Mortgagee in connection with any litigation to prosecute or defend the rights and obligations created by this Mortgage, with interest thereon at the rate applicable to federal court judgments shall, within ten (10) business days of written demand, be due from Mortgagor to Mortgagee and shall be added to and included in the Obligations and shall be secured by this Mortgage.

24. Mortgagor's Waivers. Mortgagor, for itself and its successors and assigns, hereby irrevocably waives and releases, to the extent permitted by law, whether now or hereafter in force, (i) the benefit of any and all valuation and appraisal laws, (ii) any right of redemption whether statutory or otherwise, in respect of the Property, (iii) any applicable homestead or dower laws, (iv) all exemption laws whatsoever and all moratoriums, extensions or stay laws or rules, or orders of court in the nature of any one or more of them, (v) any right to have any of the Property marshalled upon foreclosure of this Mortgage, (vi) the right to interpose any set-off, recoupment, counterclaim or cross-claim in any litigation in any court with respect to, in connection with, or arising out of this Mortgage or any of the other Settlement Documents unless such set-off, recoupment, counterclaim or cross-claim could not, by reason of the applicable Federal or State procedural laws, be interposed, pleaded or alleged in any other action, and (vii) any right Mortgagor may have to claim or recover in any litigation arising out of this Mortgage or any of the other Settlement Documents any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages.

25. Partial Foreclosure. Mortgagee may from time to time, if permitted by law, take action to recover any sums, whether interest, principal or any other sums, required to be paid under this Mortgage or any other Settlement Document as the same become due, without prejudice to the right of Mortgagee thereafter to bring an action of foreclosure, or any other action, for an Event of Default by Mortgagor existing when such earlier action was commenced. Mortgagee may also foreclose this Mortgage for any sums due under this Mortgage or any other Settlement Document and the lien of this Mortgage shall continue to secure the balance of the Obligations due.

26. No Waiver; Rights Cumulative. No failure or delay on the part of Mortgagee in the exercise of any power, right or privilege hereunder or under any other Settlement Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to Mortgagee hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Settlement Documents. Any forbearance or failure to exercise, and any delay

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in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

27. Attorneys' Fees. If this Mortgage shall be foreclosed or any of Mortgagee's rights hereunder are enforced, or if an Event of Default occurs, including any bankruptcy court, there shall be included in the computation of the sums secured hereby, to the extent permitted by law, the amount of a reasonable fee for the services of the attorney retained by Mortgagee in the foreclosure action or proceeding, and all disbursements, costs, allowances and additional allowances provided by law.

28. Interest After Maturity. The Obligations secured by this Mortgage shall bear interest from and after maturity, whether or not resulting from acceleration, at the lesser of (i) 5% above the prime commercial lending rate of Citibank, N.A. in effect from time to time or (ii) the maximum applicable legal rate, if any, but this shall not constitute an extension of time for payment of the Obligations.

29. No Credit for Taxes. Mortgagor shall not claim or demand or be entitled to any credit or credits on account of any of the sums secured hereby by reason of the Impositions assessed against all or any part of the Property or for any payments made on account thereof. No deductions shall be made or claimed from the taxable value of all or any part of the Premises by reason of this Mortgage.

30. Liens. This Mortgage is and shall be maintained as a valid first lien on the Property subject only to any encumbrances created pursuant to the Settlement Documents and the Existing Liens and the Permitted Liens, if any. Notwithstanding any provision in the Settlement Documents to the contrary, Mortgagor shall not, directly or indirectly, create or suffer or permit to be created, or to stand, against the Property or any portion thereof, or against the Rents, issues and profits therefrom, any lien, charge, mortgage, deed of trust, adverse claim or other encumbrance (herein collectively referred to as a "lien"), whether senior or junior in lien to this Mortgage, other than the lien of (i) this Mortgage and (ii) the Permitted Liens (including easements, rights-of-way, restrictions, encroachments, minor defects or irregularities in title and other similar charges, in each case which do not and will not interfere in any material respect with the use or value thereof; provided, however, that Mortgagor shall give Mortgagee at least twenty (20) days prior written notice of any Permitted Lien described in the parenthetical to clause (ii) above which is to be created after the date hereof together with a reasonably detailed description thereof; and provided, further, that nothing contained in this Paragraph shall require Mortgagor to pay any real estate taxes or other Impositions prior to the time when same are required to be paid under this Mortgage. Mortgagor will keep and maintain all of the Premises free from all liens of persons or entities supplying labor or materials relating to the construction, alteration, modification or repair of the Premises. If any such lien shall be filed against any of the Property, Mortgagor agrees to discharge the same of record (by payment, bonding or otherwise), or obtain an endorsement to Mortgagee's title insurance policy insuring Mortgagee against the same, within thirty (30) days of notice of the filing thereof; provided, no such lien need be paid, discharged or insured over if it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as adequate reserve or other appropriate provision, as shall be required in conformity with generally accepted accounting

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principles (GAAP) shall have been made therefor. Notwithstanding the foregoing, Mortgagor shall promptly, and in any event on demand, pay such contested lien if at any time all or any part of the Property shall be in danger of being foreclosed, sold, forfeited, or otherwise lost or if such contest shall be discontinued. No financing statement, conditional bill of sale or chattel mortgage shall be made or filed against any Building Equipment without the prior consent of Mortgagee and if at any time there should be any (with or without the consent of Mortgagee), then upon the occurrence and during the continuance of an Event of Default, all right, title and interest of Mortgagor in and to all deposits and payments made thereon are hereby assigned to Mortgagee.

31. Change in Taxation. In the event of the enactment of or change in (including, without limitation, a change in interpretation of) any applicable law (a) deducting or allowing Mortgagor to deduct from the value of the Property for the purpose of taxation any lien or security interest thereon, (b) imposing, modifying or deeming applicable any reserve or special requirement against deposits in or for the account of, or loans by, or other liabilities of, or other assets held by Mortgagee, or (c) subjecting Mortgagee to any tax or changing the basis of taxation of mortgages, deeds of trust, or other liens or debts secured thereby, or the manner of collection of such taxes, in each such case, so as to affect this Mortgage, the Obligations or Mortgagee, and the result is to increase the taxes imposed upon or the cost to Mortgagee of maintaining the Obligations, or to reduce the amount of any payments receivable hereunder or under the other Settlement Documents, then, and in any such event, Mortgagor shall, on demand, pay to Mortgagee for the account of Mortgagee, as the case may be, such additional amounts as may be required to compensate for such increased costs or reduced amounts, provided that if any such payment or reimbursement shall be unlawful or would constitute usury under applicable law, then Mortgagee may, at its option, require Mortgagor to make a partial repayment of the Obligations in an amount equal to the then value of the Premises and Mortgagee will execute and deliver a release of the lien from this Mortgage in reasonably customary form.

32. Assignment of Leases and Rents. Mortgagor absolutely and unconditionally assigns to Mortgagee the Rents, issues and profits of the Premises as further security for the payment of the Obligations and Mortgagor grants to Mortgagee during the existence of an Event of Default the right to enter the Premises for the purpose of collecting the same and to let the Premises, or any part thereof, and to apply said Rents, issues and profits, after payment of all necessary charges and expenses, on account of the Obligations. This assignment and grant shall continue in effect until the payment and performance in full of the Obligations. Mortgagee hereby waives the right to enter the Premises for the purpose of collecting said Rents, issues and profits, and Mortgagor shall be entitled to collect, receive and use said Rents, issues and profits, until the occurrence and during the continuance of an Event of Default. During the continuance of any Event of Default, the right of Mortgagor to collect, receive and use said Rents, issues and profits, shall be revoked forthwith. Further, from and after delivery of written notice of such revocation, but solely if, and to the extent, permitted under applicable law, constructive possession of the Premises shall be vested in Mortgagee, and this assignment shall be activated and perfected. Notwithstanding the foregoing, but solely if, and to the extent, permitted under applicable law, this assignment shall also be activated and perfected upon Mortgagee's exercising, upon the occurrence and during the continuance of an Event of Default, any of the following remedies pursuant to this Mortgage: (i) taking actual possession of the Premises; (ii) moving or applying for the appointment of a receiver; (iii) filing or commencing an action to foreclose this

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Mortgage; or (iv) collecting the Rents directly from the tenant(s). Mortgagor shall, from time to time after request by Mortgagee, execute, acknowledge and deliver to Mortgagee, in form reasonably satisfactory to Mortgagee, separate assignments effectuating the foregoing.

Mortgagee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Mortgagor under any Lease or other agreement affecting all or any part of the Premises, and Mortgagor hereby agrees to indemnify Mortgagee for and hold them harmless from, any and all liability arising from any such Lease or other agreement or any assignments thereof, and no assignment of any such Lease or other agreement shall place the responsibility for the control, care, management or repair of all or any part of the Premises upon Mortgagee, nor make Mortgagee liable for any negligence in the management, operation, upkeep, repair or control of all or any part of the Premises resulting in injury, death or property damage. In addition, after the occurrence and during the continuance of an Event of Default and following the giving of notice to Mortgagor, Mortgagor will pay monthly in advance to Mortgagee, or to any receiver appointed to collect said Rents, issues and profits, the fair and reasonable rental value for the use and occupancy of the Premises or of such part thereof as may be in the possession of Mortgagor, and upon default in any such payment will vacate and surrender the possession thereof to Mortgagee or to such receiver, and in default thereof may be evicted by summary or other proceedings.

33. Security Agreement. It is the intention of the parties hereto that this instrument shall constitute a Security Agreement and a Financing Statement within the meaning of the Uniform Commercial Code as enacted in the state in which the Land is located with respect to the personalty and fixtures comprising a part of the Property, and that a security interest shall attach thereto for the benefit of Mortgagee, as secured party, to further secure the Obligations. Mortgagor hereby authorizes Mortgagee to file financing and continuation statements with respect to such collateral in which Mortgagor has a mortgageable or secured interest, without the signature of Mortgagor whenever lawful, and upon request, Mortgagor shall promptly execute financing and continuation statements in form reasonably satisfactory to Mortgagee to further evidence and secure Mortgagee's interest in such collateral, and shall pay all filing fees in connection therewith. In the event of the occurrence and during the continuance of an Event of Default, Mortgagee, pursuant to the applicable provision of the Uniform Commercial Code, shall have the option of proceeding as to both real and personal property in accordance with its rights and remedies in respect of the real property, in which event the default provisions of the Uniform Commercial Code shall not apply. The parties agree that in the event Mortgagee elects to proceed with respect to collateral constituting personalty or fixtures separately from the real property, without demand, notice or advertisement whatsoever except that where an applicable statute requires reasonable notice of sale or the dispositions, the giving of ten (10) days' notice by Mortgagee to Mortgagor, shall be deemed to be reasonable notice thereof and Mortgagor waives any other notice with respect thereto. Without limiting the foregoing, from the date of its recording, this Mortgage shall be effective as a fixture financing statement within the purview of Section 9-502(b) of the Illinois Uniform Commercial Code (as amended from time to time) with respect to the Premises and the goods described herein, which goods are or are to become fixtures related to the Premises. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are set forth below. This Security Instrument is to be filed for recording with the Recorder of Deeds of the county or the counties where the Premises is located. For this purpose, the following information is set forth:

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(a) Name and Address of Debtor:

Jetco Properties, Inc.
c/o New Albertson's, Inc.
250 Parkcenter Blvd.
Boise, Idaho 83706
Attention: Legal Department

(b) Name and Address of Secured Party:

Self-Insurers' Security Fund
100 Pringle Avenue, No. 525
Walnut Creek, CA 94596

(c) This document covers goods which are or are to become fixtures.

(d) Debtor's state of formation is Delaware.

(e) Debtor's organizational identification number is 0517105.

34. No Release. Neither Mortgagee nor any other person or entity now or hereafter obligated for the payment or performance of all or any portion of the Obligations shall be released from paying or performing such Obligations; and the lien of this Mortgage shall not be affected by reason of (a) the failure of Mortgagee to comply with any request of Mortgagor, or of any other person or entity so obligated, to take action to foreclose this Mortgage or otherwise enforce any of the provisions of this Mortgage or of any of the covenants and agreements of Mortgagor under the Settlement Documents, (b) the release, regardless of consideration, of the whole or any part of the security held for the Obligations, (c) the release, regardless of consideration, of the obligations of any person or persons liable for payment or performance of all or any portion of the Obligations, or (d) any agreement or stipulation extending the time of payment or modifying the terms of any of the Obligations, and in the event of such agreement or stipulation, Mortgagor and all such other persons shall continue to be liable under the Settlement Documents, as amended by such agreement or stipulation, unless expressly released and discharged in writing by Mortgagee.

35. Notices. All notices, requests, demands or other communications hereunder shall be in writing and shall be given only when (a) delivered personally or (b) on the day said communication is received or refused if: sent overnight delivery by a nationally recognized overnight courier service, same-day courier service or by facsimile with a preprinted confirmation receipt of successful transmission followed by a copy sent as otherwise provided herein, or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to Mortgagee:

Jeffrey W. Pettegrew
Self-Insurers' Security Fund
100 Pringle Avenue, No. 525
Walnut Creek, CA 94596

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Fax: (925) 627-1310

With a Copy to:

Richard C. Pedone, Esq.
 Nixon Peabody LLP
 100 Summer Street
 Boston, MA 02108
 Fax: (866) 947-1890

And

Daniel R. Sovocool, Esq.
 Nixon Peabody LLP
 One Embarcadero Center
 18th Floor
 San Francisco, CA 94111
 Fax: (866) 454-2476

If to Mortgagor:

Jetco Properties, Inc.
 c/o New Albertson's, Inc.
 250 Parkcenter Blvd.
 Boise, ID 83706
 Attention: Legal Dept.
 Fax: (208) 395-4625

With a Copy to:

Greenberg Traurig LLP
 77 West Wacker Drive, Suite 3100
 Chicago, Illinois 60601
 Attn: Corey E. Light, Esq.
 Fax: (312) 899-0377

or to such other address as the Mortgagor or Mortgagee may from time to time designate by notice in writing to the other in accordance with this Section. All notices under this Mortgage shall be deemed given upon recipient's signature or refusal of said delivery or upon the transmitting party's receipt of a preprinted confirmation receipt of successful transmission if given by facsimile.

36. Severability. In case any provision in or obligation hereunder shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

37. Indemnification Against Liabilities. Mortgagor will defend, indemnify, pay and hold harmless Mortgagee and its respective officers, partners, directors, trustees, employees, agents and affiliates of Mortgagee from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind (including, without limitation, reasonable attorneys' fees and expenses; but specifically excluding any ordinary market (e.g. "Market to Market") losses and any consequential or punitive damages) (hereinafter collectively, the "Losses") imposed upon or incurred by or

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asserted against Mortgagee by reason of (a) ownership of a mortgagee's interest in the Property, (b) any accident or injury to or death of persons or loss of or damage to or loss of the use of property occurring on or about the Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault spaces, if any, streets, alleys or ways, unless due to the willful misconduct of Mortgagee, (c) any use, nonuse or condition of the Premises or any part thereof or the adjoining sidewalks, curbs, vaults and vault spaces, if any, streets, alleys or ways, (d) any failure on the part of Mortgagor to perform or comply with any of the terms of this Mortgage, (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Premises or any part thereof made or suffered to be made by or on behalf of Mortgagor, (f) any negligence or tortious act on the part of Mortgagor or any of its agents, contractors, lessees, licensees or invitees, or (g) any work in connection with any alterations, changes, new construction or demolition of the Premises. All amounts payable to Mortgagee under this Paragraph shall be payable promptly within ten (10) business days of written demand therefor and shall be deemed indebtedness and Obligations secured by this Mortgage. In case any action, suit or proceeding is brought against Mortgagor or Mortgagee by reason of any such occurrence, Mortgagor, upon request of Mortgagee will, at Mortgagor's expense, resist and defend such action, suit or proceeding or cause the same to be resisted or defended by counsel reasonably acceptable to Mortgagee. Notwithstanding the foregoing, Mortgagee shall not be indemnified for (x) its gross negligence or willful misconduct or (y) any Losses first accruing after the date Mortgagee (or any purchaser at a foreclosure sale) acquires title to the Property.

38. No Oral Changes. This Mortgage and its provisions cannot be changed, waived, discharged or terminated orally but only by an agreement in writing, signed by the party against whom enforcement of the change, waiver, discharge or termination is sought.

39. Governing Law. THE PROVISIONS OF THIS MORTGAGE REGARDING THE CREATION, PERFECTION AND ENFORCEMENT OF THE LIENS AND SECURITY INTERESTS HEREIN GRANTED SHALL BE GOVERNED BY AND CONSTRUED UNDER THE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED. ALL OTHER PROVISIONS OF THIS MORTGAGE AND THE RIGHTS AND OBLIGATIONS OF MORTGAGOR AND MORTGAGEE SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA WITHOUT REGARD TO THE CONFLICT OF LAWS PRINCIPLES THEREOF.

40. Construction. This Mortgage shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument or any portion thereof to be drafted.

41. Headings. Paragraph headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

42. After Acquired Property. All property of every kind which is hereafter acquired by Mortgagor which, by the terms hereof, is required or intended to be subjected to the lien of this Mortgage shall, immediately upon the acquisition thereof by Mortgagor, and without any further giving of a deed of trust and/or mortgage, conveyance, assignment or transfer, become subject to

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the lien of this Mortgage, provided, however, that no such further assurance shall increase Mortgagor's obligation and/or liabilities under the Settlement Documents (other than in *de minimis* respects) or decrease Mortgagor's rights under the Settlement Documents.

43. Further Assurances. Mortgagor shall execute, acknowledge and deliver to Mortgagee any documents and instruments which Mortgagee may reasonably request from time to time for the better assuring, conveying, assigning, transferring, confirming or perfecting of Mortgagee's security and rights under this Mortgage, in form and substance reasonably satisfactory to Mortgagee.

44. Definitions. The following terms shall, for all purposes of this Mortgage, have the respective meanings herein specified unless the context otherwise requires and such meanings shall apply equally to the singular and plural forms of such defined terms unless a definition is provided herein for both the singular and plural form of such defined term:

(a) "Lease" shall mean every lease, space license agreement or occupancy agreement for the use or hire of all or any portion of the Premises, which shall be in effect at the date hereof or which shall hereafter be entered into by or on behalf of Mortgagor.

(b) "Ordinary Course Lease" shall mean any Lease of a portion of the Premises which (a) will not impair the value of the Premises, (b) is for space or premises that will be located within the larger space that is used for the operation of a store or other business by Mortgagor and/or its affiliate, and (c) is less than ten percent (10%) of the total square footage of the Building located on the Premises.

(c) "Rents" shall mean all rents, rent equivalents, moneys payable as damages or in lieu of rent or rent equivalents, royalties (including, without limitation, all oil and gas or other mineral royalties and bonuses), income, receivables, receipts, revenues, deposits (including, without limitation, security, utility and other deposits), accounts, cash, issues, profits, charges for services rendered, and other consideration of whatever form or nature received by or paid to or for the account of or benefit of Mortgagor or its agents or employees from any and all sources arising from or attributable to the Land and the Building, including, without limitation, all receivables, customer obligations, installment payment obligations and other obligations now existing or hereafter arising or created out of the sale, lease, sublease, license, concession or other grant of the right of the use and occupancy of property, and proceeds, if any, from business interruption or other loss of income insurance.

45. Successors and Assigns. The terms, covenants and provisions of this Mortgage shall apply to and be binding upon Mortgagor and the successors and assigns of Mortgagor and shall inure to the benefit of Mortgagee and its successors and assigns. All grants, covenants, terms, provisions, and conditions contained herein shall run with the Land.

46. Settlement Agreement. In the event of any inconsistency or conflict between the terms and provisions of the Settlement Agreement and this Mortgage, the terms and provisions of the Settlement Agreement shall control.

47. WAIVER OF JURY TRIAL. MORTGAGOR AND MORTGAGEE HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE

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OF ACTION BASED UPON OR ARISING OUT OF THIS MORTGAGE AND ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS RELIED ON THIS WAIVER IN ENTERING INTO THIS MORTGAGE, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN THEIR FUTURE DEALINGS. MORTGAGOR AND MORTGAGEE REPRESENT AND WARRANT THAT EACH HAS HAD AN OPPORTUNITY OF REVIEWING THIS JURY WAIVER WITH LEGAL COUNSEL AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS.

48. Local Law Provisions. The terms and provisions set forth in Appendix A attached hereto are hereby incorporated by reference as though fully set forth herein. In the event of any conflict between the terms and provisions contained in the body of this Mortgage and the terms and provisions set forth in Appendix A, the terms and provisions set forth in Appendix A shall govern and control.

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IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed as of the day and year first above written.

Mortgagor:

JETCO PROPERTIES, INC., a Delaware corporation

By: M Bessent
Name: M. Bessent
Title: Treasurer

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DEPT. OF DEFENSE
COMMUNITY

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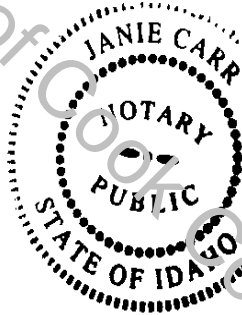
ACKNOWLEDGMENT

STATE OF Idaho)
)
COUNTY OF Ada)

SS:

I, Janie Carr, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that M. Bessent, personally known to be to be the Treasurer of JETCO Properties, Inc., a Delaware Corporation and personally known to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that as such Treasurer he/she signed and delivered the said instrument pursuant to authority of said corporation as his/her free and voluntary act, and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

WITNESS MY HAND and Notary seal this 13 day of March 2013.



Janie Carr
Notary Public

My commission expires:
August 16, 2013

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Exhibit A

Description of the Land

See Legal Description Attached.

PIN Numbers:

02-23-100-003-0000 Vol. 149

02-23-100-010-0000 Vol. 149

02-23-100-047-0000 Vol. 149

Street Address:

45 Plum Grove Road, Palatine, IL 60067

Property of Cook County
COOK COUNTY
RECORDER OF DEEDS
SCANNED BY
Clerk's Office

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

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NCS # 587591-82

PARCEL 1: THE NORTH 50 FEET OF LOT 2 IN BLOCK "P" IN ASSESSOR'S DIVISION OF THE TOWN OF PALATINE, IN THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 10, 1877 IN BOOK 13 OF PLATS, PAGES 3 AND 4, AS DOCUMENT NUMBER 1298579, IN COOK COUNTY, ILLINOIS.

PARCEL 2: THAT PART OF THE NORTHWEST QUARTER IN SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT 10 RODS SOUTH OF THE NORTHWEST CORNER OF SAID SECTION, THENCE EAST 10 RODS, THENCE SOUTH 8 RODS, THENCE WEST 10 RODS, THENCE NORTH 8 RODS TO THE PLACE OF BEGINNING (EXCEPT THAT PART THEREOF USED AS A PUBLIC STREET OR HIGHWAY AND EXCEPT THE NORTH 50 FEET) ALL IN COOK COUNTY, ILLINOIS.

PARCEL 3: THAT PART OF THE NORTHWEST QUARTER IN SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT 18 RODS SOUTH OF THE NORTHWEST CORNER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, THENCE DUE EAST 24 RODS, THENCE DUE SOUTH 4 RODS, THENCE DUE WEST 24 RODS, THENCE NORTH ON THE WEST LINE OF SAID SECTION 23, 4 RODS TO THE PLACE OF BEGINNING (EXCEPT FROM SAID PREMISES THE EAST 218 FEET AND EXCEPT THE WEST 33 FEET THEREOF ACCORDING TO THE SUBDIVISION BY HARRIS WEBSTER, ASSESSOR FOR THE TOWN OF PALATINE, RECORDED JUNE 4, 1861 IN BOOK 161 OF MAPS, PAGE 33 AS DOCUMENT NUMBER 4310), IN COOK COUNTY, ILLINOIS.

PARCEL 4: BEGINNING AT A POINT 22 RODS SOUTH OF THE NORTHWEST CORNER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, AND SAID POINT IS ON THE WEST LINE OF SAID SECTION 23, THENCE DUE EAST 24 RODS TO A POINT, THENCE SOUTH 6 RODS TO A POINT, THENCE DUE WEST 24 RODS TO THE WEST LINE OF SAID SECTION 23, THENCE NORTH ON SAID WEST LINE OF SAID SECTION 23, 6 RODS TO THE POINT OF BEGINNING (EXCEPT THE EAST 178 FEET AND EXCEPT THE WEST 33 FEET THEREOF).

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PARCEL 5: A PARCEL OF LAND DESCRIBED AS FOLLOWS: BEGINNING 32 RODS SOUTH OF THE NORTHWEST CORNER OF SECTION 23, AT THE CENTER OF PLUM GROVE AVENUE, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, THENCE EAST 24 RODS, THENCE NORTH 4 RODS, THENCE WEST 24 RODS TO THE CENTER OF PLUM GROVE AVENUE, THENCE SOUTH TO THE CENTER LINE OF SAID PLUM GROVE AVENUE, 4 RODS TO THE PLACE OF BEGINNING (EXCEPT THE EAST 40 FEET AND EXCEPT THE WEST 33 FEET THEREOF AND EXCEPT FOR THAT PART TAKEN FOR HALE STREET) ACCORDING TO THE SUBDIVISION BY HARRIS WEBSTER, ASSESSOR FOR THE TOWN OF PALATINE, RECORDED JUNE 4, 1861 IN BOOK 161 OF MAPS, PAGE 33 AS DOCUMENT NUMBER 4310.

PARCEL 6: THE WEST 199 FEET OF THE EAST 218 FEET OF THE FOLLOWING DESCRIBED PROPERTY: COMMENCING AT A POINT 18 RODS SOUTH OF THE NORTHWEST CORNER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, THENCE DUE EAST 24 RODS, THENCE DUE SOUTH 4 RODS, THENCE DUE WEST 24 RODS, THENCE DUE NORTH ON THE WEST LINE OF SAID SECTION 23, 4 RODS TO THE PLACE OF BEGINNING, EXCEPT FOR THAT PART TAKEN FOR HALE STREET ACCORDING TO THE SUBDIVISION BY HARRIS WEBSTER, ASSESSOR FOR THE TOWN OF PALATINE, RECORDED JUNE 4, 1861 IN BOOK 161 OF MAPS, PAGE 33 AS DOCUMENT NUMBER 4310.

PARCEL 7: THE WEST 159 FEET OF THE EAST 178 FEET OF THE NORTH 85 FEET AND THE WEST 138 FEET OF THE SOUTH 14 FEET OF THE FOLLOWING DESCRIBED PROPERTY: BEGINNING AT A POINT 22 RODS SOUTH OF THE NORTHWEST CORNER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN AND SAID POINT IS ON THE WEST LINE OF SAID SECTION 23, THENCE DUE EAST 24 RODS TO A POINT, THENCE DUE SOUTH 5 RODS TO A POINT, THENCE DUE WEST 24 RODS TO THE WEST LINE OF SAID SECTION 23, 6 RODS TO THE POINT OF BEGINNING, EXCEPT FOR THAT PART TAKEN FOR HALE STREET, IN COOK COUNTY, ILLINOIS.

PARCEL 8: A PARCEL OF LAND DESCRIBED AS FOLLOWS: BEGINNING 36 RODS SOUTH OF THE NORTHWEST CORNER OF SECTION 23, AT THE CENTER OF PLUM GROVE AVENUE, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, THENCE EAST 24 RODS ON AUGUST VOSS' NORTH LINE TO A STAKE, THENCE NORTH 4 RODS TO A STAKE, THENCE WEST 24 RODS TO THE CENTER LINE OF PLUM GROVE AVENUE, THENCE SOUTH ON THE CENTER OF SAID PLUM GROVE AVENUE, 4 RODS TO THE PLACE OF BEGINNING (EXCEPT THE EAST 40 FEET AND EXCEPT THE WEST 33 FEET THEREOF AND EXCEPT FOR THAT PART TAKEN FOR HALE STREET, ACCORDING TO THE SUBDIVISION BY HARRIS

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WEBSTER, ASSESSOR FOR THE TOWN OF PALATINE, RECORDED JUNE 4, 1861 IN BOOK 161 OF MAPS, PAGE 33 AS DOCUMENT NUMBER 4310.

PARCEL 9: THE WEST 297 FEET OF LOT "A" IN WASHINGTON HIGHLANDS ADDITION TO PALATINE, A SUBDIVISION OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, EXCEPT FOR THAT PARK TAKEN FOR HALE STREET, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 10: THE SOUTH 8 RODS OF THE NORTH 18 RODS OF THE WEST 18 RODS (EXCEPT THE WEST 10 RODS THEREOF) OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 11: THE EAST 33.0 FEET OF THE WEST 330.0 FEET OF THE SOUTH 132.0 FEET OF THE NORTH 297.0 FEET OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 12: THE EAST 33.0 FEET OF THE WEST 363.0 FEET OF THE SOUTH 132.0 FEET OF THE NORTH 297.0 FEET OF THE NORTHWEST QUARTER OF SECTION 21, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 13: THE EAST 14.0 FEET OF THE WEST 377.0 FEET OF THE SOUTH 66.0 FEET OF THE NORTH 297.0 FEET OF THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, EXCEPT FOR THAT PART TAKEN FOR HALE STREET.

PARCEL 14: THE EAST 26.0 FEET OF THE WEST 323.0 FEET OF LOT "A" IN WASHINGTON HIGHLANDS ADDITION TO PALATINE, BEING A SUBDIVISION IN THE NORTHWEST QUARTER OF SECTION 23, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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Exhibit B

Existing Liens

1. All those exceptions to title set forth on Schedule B to title commitment number NCS-587291-82-CHI2 to be dated the date of recording of this Mortgage, 2013, and issued by First American Title Insurance Company.

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RECORDED OF DEEDS
COOK COUNTY
CLERK'S OFFICE

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SCHEDULE A

Leases

(None)

Property of Cook County Clerk's Office

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

COOK COUNTY
RECORDER OF DEEDS
SCANNED BY _____

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APPENDIX A

Section A-1 Principles of Construction. In the event of any inconsistencies between the terms and conditions of this Appendix A and the other terms and conditions of this Mortgage, the terms and conditions of this Appendix A shall control and be binding.

Section A-2. Type of Real Estate. Mortgagor acknowledges that the transaction of which this Mortgage is a part is a transaction that does not include either agricultural real estate (as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101 et seq.: "Foreclosure Act") or residential real estate (as defined in Section 15-1219 of the Foreclosure Act).

Section A-3. Illinois Mortgage Foreclosure Law.

(a) In the event any provision in this Mortgage shall be inconsistent with any provision of the Foreclosure Act, the provisions of the Foreclosure Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Foreclosure Act.

(b) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Foreclosure Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Foreclosure Act to the full extent permitted by law.

(c) Without limiting the generality of the foregoing, all reasonable expenses incurred by Mortgagee to the extent reimbursable under Sections 15-1510(b) and 15-1512 of the Foreclosure Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in this Mortgage, shall be added to the indebtedness secured by this Mortgage or by the judgment of foreclosure.

(d) In addition to any provision of this Mortgage authorizing the Lender to take or be placed in possession of the Property, or for the appointment of a receiver, Lender shall have the right, in accordance with Sections 5/15-1701 and 5/15-1702 of the Foreclosure Act, to be placed in possession of the Property or, at its request, to have a receiver appointed, and such receiver, or Lender, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities and duties, as provided for in Sections 5/15-1701 and 5/15-1703 of the Foreclosure Act

(e) MORTGAGOR SHALL NOT AND WILL NOT APPLY FOR OR AVAIL ITSELF OF ANY APPRAISEMENT, 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 PROPERTY MARSHALLED UPON ANY FORECLOSURE OF THE

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LIEN HEREOF AND AGREES THAT ANY COURT HAVING JURISDICTION TO FORECLOSE SUCH LIEN MAY ORDER THE PROPERTY SOLD AS AN ENTIRETY. IN THE EVENT OF ANY SALE MADE UNDER OR BY VIRTUE OF THIS MORTGAGE, THE WHOLE OF THE MORTGAGED PROPERTY MAY BE SOLD IN ONE PARCEL AS AN ENTIRETY OR IN SEPARATE LOTS OR PARCELS AT THE SAME OR DIFFERENT TIMES, ALL AS 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 SHALL BE ENTITLED TO CREDIT BID THE INDEBTEDNESS OR ANY PORTION THEREOF IN MORTGAGEE'S SOLE DISCRETION.

(f) THE MORTGAGOR, ON ITS OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN OR TITLE TO THE PROPERTY SUBSEQUENT TO THE DATE OF THIS MORTGAGE, HEREBY IRREVOCABLY WAIVES PURSUANT TO 735 ILCS 5/15-1601 OF THE FORECLOSURE ACT ANY AND ALL RIGHTS OF REINSTATEMENT (INCLUDING, WITHOUT LIMITATION, ALL RIGHTS OF REINSTATEMENT PROVIDED FOR IN 735 ILCS 5/15 1602) OR REDEMPTION FROM SALE OR FROM OR UNDER ANY ORDER, JUDGMENT OR DECREE OF FORECLOSURE OF THIS MORTGAGE (INCLUDING, WITHOUT LIMITATION, ALL RIGHTS OF REDEMPTION PROVIDED FOR IN 735 ILCS 5/15 1603) OR UNDER ANY POWER CONTAINED HEREIN OR UNDER ANY SALE PURSUANT TO ANY STATUTE, ORDER, DECREE OR JUDGMENT OF ANY COURT.

Section A-5. Insurance Disclosure. The following notice is provided pursuant to paragraph (3) of 815 ILCS 180/10: Unless the Mortgagor provides evidence of the insurance coverage required by the Loan Documents, the Mortgagee may purchase such insurance at the Mortgagor's expense to protect the Mortgagee's interests in the Mortgagor's collateral. This insurance may, but need not, protect the Mortgagor's interests. The coverage that the Mortgagee purchases may not pay any claim that the Mortgagor may make or any claim that is made against the Mortgagor in connection with the collateral. The Mortgagor may later cancel any insurance purchased by the Mortgagee, but only after providing evidence that the Mortgagor has obtained insurance as required by the Loan Documents. If the Mortgagee purchases insurance for the collateral, the Mortgagor will be responsible for the costs of that insurance, including the insurance premium, 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 Obligations of the Mortgagor. The costs of the insurance may be more than the cost of insurance that the Mortgagor may be able to obtain on the Mortgagor's own.