

UNOFFICIAL COPY

COOK COUNTY, ILLINOIS
CLERK OF COURTS

94730327

1994 AUG 17 PM 12:45

94730327

Shop No. 213
Cook County, Illinois

5/15/94 12:15:00

Property of Cook County Clerk's Office

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

8/18

August 12, 1994

ARCHIBALD CANDY CORPORATION,
as Mortgagor

In Favor Of

THE FIRST NATIONAL BANK OF CHICAGO,
as Agent, as Mortgagee

94730327

This instrument was prepared by and after recording should be returned to Lee M. Smolen, Sidley & Austin, One First National Plaza, Chicago, Illinois 60603.

BOX 333-011

UNOFFICIAL COPY

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

THIS MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND LEASES, FIXTURE FILING AND FINANCING STATEMENT ("Mortgage") is made as of August 12, 1994 by ARCHIBALD CANDY CORPORATION, a corporation organized and existing under the laws of the State of Illinois, having a principal office address at 1137 West Jackson Boulevard, Chicago, Illinois 60607, and its successors and assigns ("Mortgagor"), in favor of THE FIRST NATIONAL BANK OF CHICAGO, as "Agent" for itself and for the other "Lenders" under the Credit Agreement (as defined below), whose address is One First National Plaza, Chicago, Illinois 60670, and its successors and assigns ("Mortgagee").

W I T N E S S E T H:

WHEREAS, Mortgagor and Fannie May Holdings, Inc. have entered into that certain Credit Agreement dated as of August 12, 1994 with the Lenders and Mortgagee (as the same may be amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), providing for the making of loans, advances and other financial accommodations (including, without limitation, issuing letters of credit) to or for the benefit of Mortgagor (capitalized terms used herein, but not defined herein, shall have the respective meanings ascribed to such terms in the Credit Agreement); and

WHEREAS, as a condition to the Lenders' extension of certain financial accommodations to Mortgagor, the Lenders have required that Mortgagor enter into this Mortgage and grant to Mortgagee the liens and security interests referred to herein to secure (a) the payment of the principal amount evidenced by the Notes together with interest thereon and (b) without duplication of the foregoing, the payment of the principal amount, together with interest thereon, of all present and future advances made by the Lenders to Mortgagor, including, without limitation, the reborrowing of principal previously repaid pursuant to the Credit Agreement, as well as all other Secured Obligations arising under either the Credit Agreement or any of the other Loan Documents; and

WHEREAS, except as otherwise provided for in the Credit Agreement or unless said date is extended, the sums secured hereby shall mature on January 31, 2000; and

WHEREAS, the Secured Obligations shall accrue interest at a fluctuating rate of interest as provided for in the Credit Agreement.

94730327

UNOFFICIAL COPY

NOW, THEREFORE, to secure payment of the aforesaid indebtedness, all other Secured Obligations, and any judgment or judgments rendered thereon, and the keeping, performance and observance of, and compliance by the Mortgagor and the Parent with, the covenants, agreements, conditions and provisions contained herein and in the other Loan Documents which are to be kept, performed, observed and/or complied with by the Mortgagor and the Parent, and for and in consideration of the sum of Ten Dollars (\$10) paid to Mortgagor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor does hereby grant, bargain, sell, alienate, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, deliver, set over, warrant, confirm and grant a security interest to Mortgagee, in and to the following:

THE PROPERTY

(A) The land described in Exhibit A attached hereto, incorporated herein and made a part hereof (the "Land"), and all trees, shrubbery, crops and other plantings now or hereafter grown on the Land;

(B) TOGETHER WITH (1) all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land (collectively, the "Buildings"), (2) all right, title and interest of Mortgagor, of whatever character (whether as owner, chattel lessee or otherwise, whether vested or contingent and whether now owned or hereafter acquired), in and to all building materials, supplies and other property now or hereafter stored at or delivered to the Land or any other location for installation in or on the Land or any of the Buildings, and all fixtures, fittings, machinery, appliances, equipment, apparatus, furnishings and personal property of every nature whatsoever now or hereafter located in or on, or attached to, and used or intended to be used in connection with the Land, any of the Buildings or any business or other operations now or hereafter conducted in or on the Land or any of the Buildings or in connection with any construction or other work now or hereafter conducted in or on the Land or any of the Buildings, (all of the property described in this clause (2), being collectively referred to in this Mortgage as the "Equipment") (the Buildings and the Equipment being collectively referred to in this Mortgage as the "Improvements"), (3) any and all oil, gas and other minerals now or hereafter produced from or allocated to the Land and any and all products now or hereafter processed or obtained from any such oil, gas or other minerals, and (4) any and all plans, specifications, drawings, books, records and similar items now or hereafter relating to the Land or the Improvements, the operation thereof, any rights thereto or any interest therein;

(C) TOGETHER WITH all proceeds, products, extensions, additions, improvements, betterments, renewals, substitutions, replacements, accessions, accretions and relictions of and to all

94730327

UNOFFICIAL COPY

or any part of the property described in paragraphs (A) and (B) hereof or any other property encumbered by this Mortgage;

(D) TOGETHER WITH all right, title and interest of Mortgagor, of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to (1) all streets, roads and public places (whether open or proposed) now or hereafter adjoining or otherwise providing access to the Land, (2) the land lying in the bed of such streets, roads and public places, and (3) all other sidewalks, alleys, ways, passages, vaults, water courses, strips and gores of land now or hereafter adjoining or used or intended to be used in connection with all or any part of the property described in paragraphs (A), (B) and (C) hereof;

(E) TOGETHER WITH all easements, rights-of-way and rights of use or passage (whether public or private), estates, interests, benefits, powers, rights (including, without limitation, any and all lateral support, drainage, slope, riparian, littoral, sewer, water, air, oil, gas, mineral and subsurface rights), privileges, claims, franchises, licenses, profits, rents, royalties, tenements, hereditaments, reversions, remainders and appurtenances of every nature whatsoever in any way now or hereafter belonging, relating or appertaining to all or any part of the property described in paragraphs (A), (B), (C) and (D) hereof;

(F) TOGETHER WITH, subject to the terms and provisions of the Credit Agreement, (1) any and all judgments, settlements, claims, awards, insurance proceeds and other proceeds and compensation, and any interest thereon (collectively, "Compensation"), now or hereafter made or payable in connection with (a) any casualty or other damage to all or any part of the property described in paragraphs (A), (B), (C), (D) and (E) hereof, (b) any condemnation proceedings affecting any such property or any rights thereto or any interest therein, (c) any damage to or taking of any such property or any rights thereto or any interest therein arising from or otherwise relating to any exercise of the power of eminent domain (including, without limitation, any and all Compensation for change of grade of streets or any other injury to or decrease in the value of any such property), or (d) any conveyance in lieu of or under threat of any such taking, (2) any and all proceeds of any sale, assignment or other disposition of any such property or any rights thereto or any interest therein, (3) any and all proceeds of any other conversion (whether voluntary or involuntary) of any such property or any rights thereto or any interest therein into cash or any liquidated claim, (4) any and all refunds and rebates of or with respect to any insurance premium, any Imposition (as such term is hereinafter defined) or any other charge for utilities relating to any such property (including, without limitation, any and all refunds and rebates of or with respect to any deposit or prepayment relating to any such insurance premium,

94730327

UNOFFICIAL COPY

Imposition or charge), and any and all interest thereon, whether now or hereafter payable or accruing, and (5) any and all accounts, accounts receivable, option rights, contract rights, general intangibles, permits, licenses, approvals, bonuses, actions and rights in action now or hereafter arising from or relating to any such property or any business or other operations conducted in or on any such property by or on behalf of or for the benefit of Mortgagor (including, without limitation, all rights of Mortgagor in and to insurance proceeds, all rights of Mortgagor in and to unearned or prepaid insurance premiums, Impositions or other charges for utilities, and any deposits with respect thereto and any interest thereon, and all rights of Mortgagor in and to any and all contracts and bonds relating to operation, maintenance, construction, renovation, restoration, repair, management or security of any such property);

(G) TOGETHER WITH all rents of and from all or any part of the property described in paragraphs (A), (B), (C), (D) and (E) hereof whether now or hereafter payable or accruing (including, without limitation, any and all money and other consideration paid or payable from time to time by any and all tenants, licensees, occupants or other users of any such property), and all rights of Mortgagor or any other person to collect and receive the same; ~~provided, however,~~ that permission is hereby given to Mortgagor, so long as no Event of Default (as hereinafter defined) shall have occurred and be continuing, to collect and use such rents as, but not before, they become due and payable, which permission shall be suspended immediately, without the necessity of any action by Mortgagee, upon the occurrence and during the continuance of any Event of Default;

(H) TOGETHER WITH (1) all right, title and interest of Mortgagor (whether as seller, purchaser or otherwise) in and to any and all agreements now or hereafter relating to any purchase and sale or other transfer of all or any part of the property described in paragraphs (A), (B), (C), (D), (E), (F) and (G) hereof (whether or not such purchase and sale or other transfer shall be completed), together with any and all down payments, earnest money deposits and other security (whether monetary or otherwise) paid or payable or deposited or to be deposited in connection with any such agreement, and (2) all right, title and interest of Mortgagor (whether as lessor, lessee or otherwise) in and to any and all leases, subleases, use, occupancy and similar agreements (including, without limitation, oil, gas and mining leases) now or hereafter relating to all or any part of the property described in paragraphs (A), (B), (C), (D) and (E) hereof (each being referred to in this paragraph as a "lease"), together with any and all guaranties and security of, for or otherwise relating to any such lease (including, without limitation, any and all cash, security deposits, advance rentals, deposits and payments of a similar nature under any such lease or under any other arrangement entered into in connection with any such lease, any and all interest thereon, and any and all right,

94730327

UNOFFICIAL COPY

title and interest of Mortgagor in and to property of any tenant or other person, whether such right, title and interest shall have arisen under applicable law or under any such lease or other arrangement) and together with all rent and other consideration (whether monetary or otherwise) now or hereafter payable or accruing under or in connection with any such lease (including, without limitation, any and all cancellation or termination payments and any and all damages payable in connection with any default), subject, however, to the conditional permission given to Mortgagor to collect and use the rents, royalties, issues, profits, revenues, income and other benefits arising under any such lease as provided above;

(I) TOGETHER WITH any and all right, title and interest of Mortgagor in all reciprocal easement agreements, operating agreements and any other agreements affecting the Land and Improvements; and

(J) TOGETHER WITH any and all further or greater estate, right, title, interest, claim and demand of Mortgagor, of whatever character (whether vested or contingent and whether now owned or hereafter acquired), in and to any of the property described in the foregoing paragraphs or any rights or interests appurtenant thereto.

All of the property described in paragraphs (A), (B), (C), (D), (E), (F), (G), (H), (I) and (J) above, and each item of property therein described, is collectively referred to in this Mortgage as the "Property."

TO HAVE AND TO HOLD the Property unto Mortgagee, to its own proper use and benefit forever, upon and subject to the terms and conditions set forth in this Mortgage;

PROVIDED, HOWEVER, that if all of the Secured Obligations (other than contingent indemnification obligations) shall be fully, finally and indefeasibly paid at the times, in the amounts and in the manner specified in the Loan Documents, all without any deduction or credit for any impositions or other charges or expenses paid or payable by or on behalf of Mortgagor, and if Mortgagor shall keep, perform, observe and comply with, or shall cause to be kept, performed, observed and complied with, all covenants, agreements, conditions and other provisions of the Loan Documents, then this Mortgage and the rights and interests hereby granted and assigned to Mortgagee shall be null and void and of no further force and effect and shall be released of record upon the written request and at the expense of Mortgagor, but otherwise shall remain in full force and effect.

Mortgagor warrants, represents, covenants and agrees to and with Mortgagee and the Lenders as follows:

UNOFFICIAL COPY

ARTICLE I

COVENANTS OF MORTGAGOR

Section 1.01. Security for the Secured Obligations. Mortgagor acknowledges and agrees that all security of any kind pursuant to the Loan Documents is security for the Secured Obligations without allocation of any part or portion thereof to any portion of the Secured Obligations other than the whole thereof.

Section 1.02. Incorporation of Documents. All advances and indebtedness arising and accruing under the Credit Agreement from time to time, whether or not the resulting indebtedness secured hereby may exceed the aggregate face amount of any notes evidencing such indebtedness, shall be secured hereby to the same extent as though said Credit Agreement was fully incorporated in this Mortgage. In the event of any conflict or inconsistency between the terms of this Mortgage and the Credit Agreement, the terms and provisions of the Credit Agreement shall in each instance govern and control. Notwithstanding the foregoing, no greater obligation of Mortgagor under this Mortgage than under the Credit Agreement shall be considered a conflict or inconsistency between them, Mortgagor in each instance being bound by such greater obligation.

Section 1.03. General Representations, Covenants and Warranties. Mortgagor fully warrants and will forever defend the title to the Property and the validity as a first priority lien and security interest, enforceability and priority of the lien and security interest created hereby against the claims of all persons whomsoever claiming or who may claim the same or any part thereof, subject to the matters described in Schedule B of a mortgagee's title insurance policy with respect to the Property accepted by Mortgagee on the date of delivery of this Mortgage ("Permitted Exceptions"). Mortgagor further warrants, represents and covenants that: (a) Mortgagor will maintain and preserve the lien of this Mortgage until the Secured Obligations shall have been fully, finally and indefeasibly paid (other than contingent indemnification obligations); (b) the Land has direct or indirect access for adequate ingress from and egress to, physically open, public and dedicated street(s); and (c) all necessary utilities are, and at all times hereafter shall be, available in sufficient capacity to service the Property satisfactorily until the Secured Obligations shall have been fully, finally and indefeasibly paid (other than contingent indemnification obligations), and any easements legally required to assure the continuation of such utility service to the Property have been obtained and duly recorded.

94730327

UNOFFICIAL COPY

Section 1.04. STATUS OF PROPERTY.

Mortgagor represents and warrants:

(a) No material part of the Property is located in an area identified by the Secretary of Housing and Urban Development or any successor thereto as an area having special flood hazards pursuant to the National Flood Insurance Act of 1968 or the Flood Disaster Protection Act of 1973, as amended, or any successor law.

(b) Mortgagor has all necessary certificates, licenses and other approvals, governmental and otherwise, necessary for the operation of the Property and the conduct of its business thereon and all required zoning, building code, land use, environmental and other similar permits or approvals, all of which are in full force and effect as of the date hereof, other than any such certificate, license and other approvals and permits, the failure to obtain which (either individually or in the aggregate) could not be reasonably expected to result in a Material Adverse Effect.

(c) The Property is free from material damage caused by fire or other casualty.

(d) There are no agreements, contracts or lease provisions, written or oral, providing any tenant of the Property or any other third party the option to purchase all or any material part of the Property.

(e) Mortgagor and its agents have not entered into any leases or other arrangements for occupancy of any material part of the space within the Property other than those leases furnished to Mortgagee.

(f) The Property is taxed separately without regard to any other property and for all purposes the Property may be mortgaged, conveyed, and otherwise dealt with as an independent parcel.

(g) Unless otherwise provided in an environmental disclosure document provided by Mortgagor to Mortgagee in accordance with the terms and provisions of the Illinois Responsible Property Transfer Act of 1988 (the "Act"), the Property is not within the definition of "real property" as defined in Section 3(e) of the Act.

Section 1.05. Recordation of Mortgage and Financing Statements. Mortgagor will execute, acknowledge and deliver any financing statements and other instruments in addition or supplemental hereto, which may be requested by Mortgagee from time to time in order to perfect and maintain the validity and effectiveness of this Mortgage and the lien and security thereof

UNOFFICIAL COPY

to Mortgagee and in such manner and places and within such times as may be necessary or appropriate to accomplish such purposes and to preserve and protect the rights and remedies of Mortgagee. Mortgagor will furnish satisfactory evidence of every such recording, filing and registration to Mortgagee. Mortgagor hereby appoints Mortgagee as its true and lawful attorney-in-fact (and such appointment is coupled with an interest and is irrevocable) to file, with Mortgagor's signature, or without Mortgagor's signature in the state and county where the Property is located and any other jurisdiction in which such filing may lawfully and effectively be made without Mortgagor's signature, any and all Uniform Commercial Code financing and continuation statements which Mortgagee may deem necessary or appropriate to file with respect to this Mortgage.

Section 1.06. Taxes, Assessments and Other Charges.

Subject to its rights to contest certain taxes under the Credit Agreement, Mortgagor, in accordance with the terms and provisions of the Credit Agreement, shall pay, all taxes (including, without limitation, any registration or recording taxes incurred in connection with this Mortgage), insurance premiums, assessments, dues, fines, impositions, and public charges, general and special, ordinary and extraordinary, of every character (including penalties and interest), all charges made by utility companies, public or private, for services furnished or used in connection with the Property, all common area utility and maintenance charges, and all other impositions attributable to the Property ("Impositions").

Section 1.07. Defense of Title and Litigation. If the lien or security interest created by this Mortgage, or the validity, enforceability or priority thereof or of this Mortgage, or if title or any of the rights of Mortgagor or Mortgagee in or to the Property, shall be endangered or questioned, or shall be attacked directly or indirectly, or if any action or proceeding is instituted against Mortgagor or Mortgagee with respect thereto, Mortgagor will promptly notify Mortgagee thereof and will diligently endeavor to cure any defect which may be developed or claimed, and will take all necessary and proper steps for the defense of such action or proceeding, including the employment of counsel, the prosecution or defense of litigation and, subject to Mortgagee's approval, the compromise, release or discharge of any and all adverse claims. Subject to Section 9.3 of the Credit Agreement, Mortgagee (whether or not named as a party to such actions or proceedings) is hereby authorized and empowered (but shall not be obligated) to take such additional steps as it may deem necessary or proper for the defense of any such action or proceeding or the protection of the lien, security interest, validity, enforceability or priority of this Mortgage or of such title or rights, including the employment of counsel and the prosecution or defense of litigation. Mortgagor shall, on demand, reimburse Mortgagee for all expenses (including reasonable attorneys' fees and disbursements) incurred by it in

94730327

UNOFFICIAL COPY

connection with the foregoing matters. All such costs and expenses of Mortgagee, until reimbursed by Mortgagor, shall be part of the Secured Obligations and shall be deemed to be secured by this Mortgage.

Section 1.08. Zoning and Title Matters. Mortgagor will not, without the prior written consent of Mortgagee, (a) initiate or support any zoning reclassification of the Property, seek any variance under existing zoning ordinances applicable to the Property or use or permit the use of the Property in a manner which would result in such use becoming, in any material respect, a nonconforming use under applicable zoning ordinances, (b) modify, amend or supplement any of the Permitted Exceptions in such a manner that could reasonably be expected to materially reduce the value of the Property, (c) except as permitted by Section 6.3(C) of the Credit Agreement, impose any restrictive covenants or encumbrances upon the Property, execute or file any subdivision plat affecting the Property or consent to the annexation of the Property to any municipality, or (d) permit or suffer the Property to be used by the public or any person in such manner as might make possible a claim of adverse usage or possession or of any implied dedication or easement by prescription.

Section 1.09. Insurance. Mortgagor shall keep or cause to be kept such casualty and liability insurance on the Property as required under the Credit Agreement, in amounts and against insurable hazards as set forth therein.

Section 1.10. Application of Proceeds of Insurance. In the event of a loss, the insurance proceeds shall be paid and applied as specified in the Credit Agreement.

Section 1.11. Stamp Tax. If, by the laws of the United States of America, or of any state or principal subdivision having jurisdiction over Mortgagor, any tax is due or becomes due in respect of the issuance of any Note or recording of this Mortgage or additions to or consolidations of this Mortgage, whether at the original recording hereof or subsequent recordings, Mortgagor covenants and agrees to pay such tax in the manner required by any such law. Mortgagor further covenants to hold harmless and agrees to indemnify Mortgagee against any liability incurred by reason of the imposition of any tax on the issuance of any Note or recording of this Mortgage.

Section 1.12. Effect of Changes in Laws Regarding Taxation. In the event of the enactment after this date of any law of the state in which the Property is located or any political subdivision thereof deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the

UNOFFICIAL COPY

taxation of mortgages or debts secured by mortgages or deeds of trust or similar instruments, or the Mortgagee's interest in the Property, or the manner of collection of taxes, so as to adversely affect this Mortgage or the Secured Obligations secured hereby or the then holders thereof, then, and in any such event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor. Notwithstanding anything contained herein to the contrary, provided that the obligation to pay said taxes or assessments is imposed upon Mortgagor, Mortgagor shall have the right to contest such taxes or assessments as provided in Section 6.2(E) of the Credit Agreement.

Section 1.13. Changes to Mortgage or Related Loan Documents. If the payment of the Secured Obligations secured by this Mortgage or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or whose consent to this Mortgage was obtained, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse, if any, against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation or release. Any person or entity taking a junior mortgage or other lien upon the Property or any interest therein, shall take said lien subject to the rights of Mortgagee and the Lenders to amend, modify, and supplement, restate and consolidate this Mortgage and the Loan Documents and to vary the rate of interest and the method of computing the same, and to increase the principal amount thereof, and to impose additional fees and other charges, and to extend the maturity of said indebtedness, and to grant partial releases of the lien of this Mortgage, in each and every case without obtaining the consent of the holder of such lien and without the lien of this Mortgage losing its priority over the rights of any such junior lien.

Section 1.14. Eminent Domain.

(a) In the event that title to, or the temporary use of the Property or any part thereof shall be taken pursuant to eminent domain or condemnation proceedings, or by any settlement or compromise of such proceedings, or any voluntary conveyance of the Property or any part thereof during the pendency of, or as a result of a threat of, such proceedings ("Eminent Domain"), the Mortgagor shall be obligated to continue to make the payments specified in the Loan Documents.

(b) The Compensation for Eminent Domain shall be applied in accordance with the Credit Agreement.

UNOFFICIAL COPY

Section 1.15. Subrogation. Should any amount paid out, advanced or incurred hereunder by Mortgagee, be used directly or indirectly to pay off, discharge or satisfy, in whole or in part, any lien or encumbrance upon the Property or any part thereof on a parity with or prior or superior to the lien hereof, then as additional security hereunder, Mortgagee shall be subrogated to any and all rights, equal or superior titles, liens and equities, owned or claimed by any owner or holder of said outstanding liens, charges and indebtedness, however remote, regardless of whether said liens, charges and indebtedness are acquired by assignment or have been released of record by the holder thereof upon payment.

Section 1.16. INTENTIONALLY OMITTED.

Section 1.17. Assignment of Rents.

(a) The assignment set forth in paragraph (G) of the section of this Mortgage entitled "The Property" shall, to the extent permitted by law, constitute an absolute and present assignment of the rents, royalties, issues, profits, revenues, income and other benefits described in said paragraph, subject, however, to the conditional permission given to Mortgagor to collect and use the same as provided in said paragraph. Neither the existence nor the exercise of such conditional permission shall subordinate such assignment to any subsequent assignment by Mortgagor, and all such subsequent assignments shall be subject to the rights of Mortgagee under this Mortgage. The assignment set forth in paragraph (G) shall be fully operative without any further action by Mortgagor or Mortgagee. Mortgagee is hereby irrevocably authorized and empowered, at its option, to demand, collect, receive and enforce payment of any and all such rents, royalties, issues, profits, revenues, income and other benefits at any time during the continuance of any Event of Default (as hereinafter defined), and to give receipts, releases and satisfactions therefor, whether or not Mortgagee shall have taken, or at any time shall take, possession of the Land, the Buildings or any other part of the Property. Mortgagee is hereby irrevocably authorized to notify all tenants, licensees, invitees, guests, customers, occupants and other users of all or any part of the Property of Mortgagee's rights under this section and under paragraph (G).

(b) Mortgagor hereby grants to Mortgagee the right, at Mortgagee's option at any time during the continuance of any Event of Default, to take all actions with respect to any and all such rents, royalties, issues, profits, revenues, income and other benefits as are contemplated by Section 2.03 of this Mortgage. Mortgagor hereby irrevocably authorizes and appoints Mortgagee the agent and attorney-in-fact of Mortgagor, at Mortgagee's option, (while an Event of Default is continuing) to demand, collect, receive and enforce payment of any and all such rents, royalties, issues, profits, revenues, income and other

UNOFFICIAL COPY

benefits after the occurrence of any Event of Default, to give receipts, releases and satisfactions therefor and to apply such collections in the manner provided in Section 2.03, which appointment shall be deemed to be coupled with an interest. Such assignment, grant and appointment shall continue in effect until the Secured Obligations shall have been paid in full (other than contingent indemnification obligations). Mortgagor hereby irrevocably consents to the entry upon and taking possession of the Property by Mortgagee pursuant to such grant and appointment, whether or not foreclosure proceeding shall have been commenced, but only during the continuance of an Event of Default. Neither the exercise by Mortgagee of any rights under this section or the aforesaid paragraph (G), nor the application of any such rents, royalties, issues, profits, revenues, income or other benefits to the Secured Obligations, shall cure or waive any Event of Default or any notice of any Event of Default or invalidate any such notice or any act done pursuant to this Mortgage or pursuant to any such notice.

(c) Upon request by Mortgagee, Mortgagor shall assign to Mortgagee, as additional security for the Secured Obligations, by a written document approved by Mortgagee, all right, title and interest of Mortgagor in and to any and all leases now or hereafter affecting all or any part of the Property, together with any and all guaranties and security of, for or otherwise relating to such leases and all rent and other money payable or accruing under or in connection with such leases, subject to the conditional permission given to Mortgagor to collect and use the rents, royalties, issues, profits, revenues, income and other benefits arising under such leases as provided above.

Section 1.18. Security Agreement and Financing Statement.

(a) Mortgagor and Mortgagee agree: (i) that this Mortgage shall constitute a Security Agreement within the meaning of the Uniform Commercial Code (the "Code") of the state in which the Property is located with respect to (1) any property included in the definition herein of the word "Property," which property may not be deemed to form a part of the real estate described in Exhibit A or may not constitute a "fixture" (within the meaning of the applicable section of the Code) and (2) any fixture which constitutes a part of the Property, and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof; (ii) that a security interest in and to the Property is hereby granted to Mortgagee and that, upon recordation in the real estate records of the proper office this instrument shall constitute a "fixture filing" within the meaning of the applicable section of the Code; and (iii) that all of Mortgagor's right, title and interest therein are hereby assigned to Mortgagee; all to secure payment of the Secured Obligations.

94730327

UNOFFICIAL COPY

(b) If any Event of Default occurs and is continuing hereunder, Mortgagee, pursuant to the appropriate provisions of the Code, shall have an option to proceed with respect to both the real property and any portions of the Property which are not real property in accordance with its rights, powers and remedies with respect to the real property. The parties agree that if Mortgagee shall elect to proceed with respect to any portions of the Property which are not real property separately from the real property, Mortgagee shall have all remedies available to a secured party under the Code and ten (10) days' notice of the sale shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by Mortgagee shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagee.

Section 1.19. After Acquired Property. To the extent permitted by law, the lien of this Mortgage shall attach automatically, without the necessity of any action by Mortgagor or any other person, to all right, title and interest of Mortgagor in and to any and all after-acquired property of the character or type described in the section of this Mortgage entitled "The Property". Mortgagor shall promptly execute and deliver to Mortgagee such documents and instruments as may be requested by Mortgagee to confirm and perfect such lien. Mortgagor hereby irrevocably authorizes and appoints Mortgagee the agent and attorney-in-fact of Mortgagor to execute all such documents and instruments on behalf of Mortgagor, which appointment shall be deemed to be coupled with an interest.

ARTICLE II

DEFAULTS AND REMEDIES

Section 2.01. Event of Default. As used in this Mortgage, the term "Event of Default" shall mean and refer to the occurrence of any Default under and as defined in the Credit Agreement.

Section 2.02. Mortgagee's Power of Enforcement. At any time during the continuance of any Event of Default Mortgagee may proceed by any appropriate judicial or non-judicial action or proceeding to (a) enforce payment of all or any part of the Secured Obligations in accordance with the Loan Documents, (b) declare the entire balance of any or all of the Secured Obligations to be immediately due and payable without presentment, demand or notice of any kind (all of which are hereby expressly waived by Mortgagor), (c) enforce performance of any term of this Mortgage, (d) enforce any other rights of Mortgagee with respect to the Secured Obligations, the Property or any other security for the Secured Obligations, (e) foreclose

UNOFFICIAL COPY

this Mortgage and sell, or cause the sale of, the Property, as an entirety or in separate parts, pursuant to any power of sale now or hereafter permitted by law or pursuant to the judgment, order or decree of any court of competent jurisdiction, (f) to the extent permitted by law, pursue the partial foreclosure of this Mortgage for any part of the Secured Obligations then due and payable, subject to the continuing encumbrance of this Mortgage as security for the balance of the Secured Obligations not then due, (g) advance sums, in an amount to be determined by Mortgagee in its sole discretion, to satisfy any or all of Mortgagor's obligations under the Loan Documents, or (h) pursue any other rights, powers and remedies available to Mortgagee, at law or in equity, in connection with the Secured Obligations, the Property or any other security for the Secured Obligations. Mortgagee may pursue any or all such actions or proceedings, at Mortgagee's option, separately or concurrently and in such order as Mortgagee may desire, either with or without entry or taking possession and whether or not all or any part of the Secured Obligations shall have been declared to be immediately due and payable or shall otherwise be due. Mortgagee may pursue any and all such actions or proceedings without prejudice to Mortgagee's right thereafter to foreclose this Mortgage and without prejudice to any right of Mortgagee or the Lenders thereafter to proceed by any other action or proceeding to enforce any or all rights, powers and remedies of Mortgagee or the Lenders with respect to the Secured Obligations, the Property or any other security for the Secured Obligations.

Section 2.03. Mortgagee's Right To Enter and Take Possession.

(a) At any time during the continuance of any Event of Default, whether or not foreclosure proceedings shall have been instituted, Mortgagee, to the extent permitted by law, may enter and take possession of all or any part of the Property, may exclude Mortgagor and its officers, employees, agents, contractors, attorneys and other representatives therefrom and may have joint access with Mortgagor to the books, papers and accounts of Mortgagor and of any manager of the Property. Upon request by Mortgagee at any time during the continuance of any Event of Default, Mortgagor shall peaceably and quietly vacate, surrender and deliver possession of the Property (or any part of the Property that may be designated by Mortgagee) to Mortgagee. If Mortgagor shall not vacate, surrender and deliver possession of the Property (or such part of the Property) to Mortgagee as provided above, then, without limiting any other right to enter and take possession of the Property (or such part of the Property), Mortgagee may resort to any and all legal and equitable remedies required to evict and dispossess Mortgagor therefrom (including, without limitation, one or more summary proceedings or actions for forcible entry and detainer, trespass to try title or restitution), and Mortgagee may obtain a judgment, order or decree of any court of competent jurisdiction

94720327

UNOFFICIAL COPY

conferring on Mortgagee the right to immediate possession and requiring Mortgagor to immediately vacate, surrender and deliver possession of the Property (or such part of the Property) to Mortgagee. Upon request by Mortgagee, Mortgagor shall pay to Mortgagee, or to any other person that Mortgagee may designate, all costs, expenses and liabilities (including, without limitation, reasonable attorneys' fees) incurred by Mortgagee or by any of the Lenders in connection with any such failure to vacate, surrender and deliver possession or in connection with any such judgment, order or decree or the exercise of any such remedies, together with interest thereon at the rate provided in the Credit Agreement as applicable during the continuance of a Default ("Credit Agreement Default Rate"), from the date incurred by Mortgagee, or by any of the Lenders, until the date so paid to, or as directed by, Mortgagee.

(b) After any such entry into possession, Mortgagee, acting in Mortgagor's name or otherwise, may hold, store, use, operate, manage and control the Property (or any part of the Property which then is in the possession of Mortgagee) and may conduct the business and operations thereof. In doing so, Mortgagee may, but shall not be obligated to:

(i) carry out any and all necessary and desirable maintenance, repairs, renewals, replacements, alterations, additions, betterments and improvements of or to the Property (or such part of the Property);

(ii) purchase or otherwise acquire and install in or on the Property (or such part of the Property) additional fixtures, personal property and other property of the type encumbered by this Mortgage;

(iii) insure the Property or keep the Property insured;

(iv) manage, operate and exercise all rights and powers of Mortgagor with respect to the Property (or such part of the Property) and the management and operation thereof (including, without limitation, the right to enter into leases, to cancel, enforce or modify leases, to evict tenants by summary proceedings or otherwise and to take other appropriate steps to enforce leases);

(v) enter into agreements with others to exercise the rights and powers of Mortgagee under this Mortgage; and

(vi) collect and receive all rents, royalties, issues, profits, revenues, income and other benefits of and from the Property (or such part of the Property) and any business or other operations conducted therein or thereon by or on behalf of or for the benefit of Mortgagor (including those past due as well as those accruing thereafter), and apply

UNOFFICIAL COPY

the money so received in accordance with the provisions of the Credit Agreement.

(c) In the event of any such entry into possession, Mortgagee shall be liable to account only for rents, royalties, issues, profits, revenues, income and benefits actually received by Mortgagee while in possession of the Property. In the event of any foreclosure, Mortgagee may remain in possession of all or any part of the Property until the foreclosure sale and thereafter during any period of redemption. In the absence of any foreclosure, Mortgagee may remain in possession of all or any part of the Property as long as there exists an Event of Default. The same right of taking possession shall exist during the continuance of any subsequent Event of Default. Neither Mortgagee nor any of the Lenders shall be obligated, by virtue of this section or by virtue of any actions contemplated by this Mortgage or by any of the other Loan Documents, to perform or discharge any obligation, duty or liability of Mortgagor under any lease or other agreement relating to all or any part of the Property or under any law, ordinance, rule, regulation, order, judgment, injunction or decree relating to all or any part of the Property. Neither Mortgagee nor any of the Lenders shall incur any liability for, nor shall Mortgagor assert any claim or set off as a result of, any acts or omissions of Mortgagee or any of the Lenders or of Mortgagee's or any of the Lender's officers, employees, agents, contractors, attorneys or other representatives, while in possession of all or any part of the Property (except for damages directly caused by Mortgagee's or any of the Lender's own bad faith, Gross Negligence or intentional wrongful acts). Mortgagor hereby expressly and irrevocably waives, releases, discharges and relinquishes all such liabilities, claims and rights of set off.

(d) Upon request by Mortgagee, Mortgagor shall pay to Mortgagee, or to any other person that Mortgagee may designate, all reasonable costs, expenses and liabilities (including, without limitation, reasonable attorneys' fees and expenses) incurred by Mortgagee or by any of the Lenders in connection with the holding, storage, use, operation, management, control, maintenance, repair, alteration or improvement of all or any part of the Property (except to the extent such costs, expenses and liabilities shall have been paid out of collections from the Property as provided above), together with interest thereon at the Credit Agreement Default Rate, from the date incurred by Mortgagee or by any of the Lenders until the date so paid to, or as directed by, Mortgagee.

94730327

UNOFFICIAL COPY

Section 2.04. Appointment of Receiver.

(a) At any time during the continuance of any Event of Default, Mortgagee, to the extent permitted by law and without regard to the value, adequacy or occupancy of the Property or the solvency of Mortgagor, shall be entitled as a matter of right and without notice or the requirement of bond (notice and bond being hereby waived), if it so elects, to the appointment of a receiver to (i) enter upon and take possession of the Property, (ii) collect all rents, royalties, issues, profits, revenues, income and other benefits of and from the Property and any business or other operations conducted in or on the Property by or on behalf of or for the benefit of Mortgagor, and (iii) apply the same as the court may direct or otherwise as may be permitted by law. Mortgagor hereby specifically and irrevocably consents to such appointment. The receiver shall be entitled to hold, store, use, operate, manage and control the Property and conduct the business and operations thereof as would Mortgagee pursuant to the immediately preceding section and shall have all rights and powers permitted under the laws of the state in which the Land is located and such other rights and powers as the court making such appointment shall confer. The receiver shall be liable to account only for rents, royalties, issues, profits, revenues, income and other benefits actually received by such receiver. Notwithstanding the appointment of any receiver or other custodian, Mortgagee, as pledgee or depository, shall be entitled to the possession and control of any cash, deposits or instruments held by Mortgagee at the time of such appointment or payable or deliverable to Mortgagee from time to time pursuant to this Mortgage or pursuant to any of the other Loan Documents.

(b) Upon request by Mortgagee, Mortgagor shall pay to Mortgagee, or to any other person that Mortgagee may designate, or to any such receiver, all reasonable costs, expenses and liabilities (including, without limitation, reasonable attorneys' fees, receivers, fees, agents' compensation and the fees of any manager retained by such receiver) incurred by Mortgagee, by any of the Lenders or by such receiver in connection with the appointment of such receiver and the exercise of the rights and powers of such receiver, except to the extent such costs, expenses and liabilities shall have been paid out of collections from the Property as provided in the immediately preceding section, together with interest thereon at the Credit Agreement Default Rate, from the date incurred by Mortgagee, by any of the Lenders or by such receiver until the date so paid to, or as directed by, Mortgagee or to such receiver.

Section 2.05. Waiver of Certain Rights. Mortgagor agrees, to the extent permitted by law, that neither Mortgagor nor any person at any time claiming through or under Mortgagor shall set up, claim or seek to take advantage of any law now or hereafter in force pertaining to the rights of sureties or providing for any appraisalment, valuation, stay, notice of

94730327

UNOFFICIAL COPY

election to accelerate maturity or to declare the Secured Obligations due, extension, redemption, moratorium, homestead or exemption from execution or sale, in order to prevent or hinder the foreclosure of this Mortgage during the continuance of any Event of Default, the final and absolute sale of all or any part of the Property or the final and absolute putting into possession thereof, immediately after any such sale, of the purchaser or purchasers at such sale or the enforcement of any other rights or remedies of Mortgagee, or any of the Lenders under this Mortgage or under any of the other Loan Documents. MORTGAGOR, FOR ITSELF AND FOR ANY AND ALL PERSONS WHO MAY AT ANY TIME CLAIM THROUGH OR UNDER MORTGAGOR OR WHO HEREAFTER MAY OTHERWISE ACQUIRE ANY INTEREST IN OR TITLE TO ALL OR ANY PART OF THE PROPERTY OR ANY OTHER SECURITY FOR THE SECURED OBLIGATIONS, HEREBY IRREVOCABLY WAIVES AND RELEASES, TO THE EXTENT PERMITTED BY LAW, ALL BENEFIT OF ANY AND ALL SUCH LAWS, ANY AND ALL RIGHTS OF REDEMPTION NOW OR HEREAFTER PERMITTED BY LAW, ANY AND ALL RIGHTS OF REDEMPTION PURSUANT TO ANY JUDGMENT, ORDER OR DECREE OF FORECLOSURE OF THIS MORTGAGE, AND ANY AND ALL RIGHT TO HAVE THE ASSETS CONSTITUTING THE PROPERTY OR ANY OTHER SECURITY FOR THE SECURED OBLIGATIONS MARSHALLED UPON ANY FORECLOSURE OR OTHER ENFORCEMENT OF THIS MORTGAGE. Mortgagee or any court having jurisdiction to foreclose this Mortgage may sell the Property in part or as an entirety. Neither Mortgagee nor any of the Lenders shall be required to accept the Property, any part or parts thereof or any other security for the Secured Obligations in satisfaction of all or any part of the Secured Obligations. Neither Mortgagee nor any of the Lenders shall be required to accept any apportionment of the Secured Obligations to or among any part or parts of the Property or any other security for the Secured Obligations. If any law now in force of which Mortgagor might take advantage despite this section shall be repealed or shall cease to be in force after the date hereof, then such law shall not thereafter be deemed to preclude the application of this section.

Section 2.06. Leases. Any foreclosure of this Mortgage and any other transfer of all or any part of the Property in extinguishment of all or any part of the Secured Obligations may, at Mortgagee's option, be subject to any or all leases of all or any part of the Property and the rights of tenants under such leases. No failure to make any such tenant a defendant in any foreclosure proceedings or to foreclose or otherwise terminate any such lease and the rights of any such tenant in connection with any such foreclosure or transfer shall be, or be asserted to be, a defense or hindrance to any such foreclosure or transfer or to any proceedings seeking collection of all or any part of the Secured Obligations (including, without limitation, any deficiency remaining unpaid after completion of any such foreclosure or transfer).

Section 2.07. Suits To Protect Property. Mortgagee is hereby irrevocably authorized, at Mortgagee's option, during the continuance of an Event of Default, to initiate and maintain any

91730327

UNOFFICIAL COPY

and all suits and proceedings that Mortgagee may deem advisable, at Mortgagor's expense (a) to prevent any impairment of the Property, (b) to prevent the occurrence or continuance of any violation of this Mortgage or of any of the other Loan Documents, (c) to foreclose this Mortgage, and (d) to restrain the enforcement of, or compliance with, any law, ordinance, rule, regulation, order, judgment, injunction or decree that may be unconstitutional or otherwise invalid, if such enforcement or compliance, in Mortgagee's judgment, could be reasonably expected (either individually or in the aggregate) to result in a Material Adverse Effect. Notwithstanding the foregoing, Mortgagee has the right, at any time (whether or not an Event of Default has occurred) to initiate and maintain any and all suits and proceedings that Mortgagee reasonably may deem advisable, at Mortgagor's expense (a) to prevent the impairment of the security of this Mortgage by any unlawful acts or omissions, and (b) to preserve and protect Mortgagee's interest in the Property.

Section 2.08. Application of Money by Mortgagee. Any money collected or received by Mortgagee in connection with the pursuit of any rights, powers or remedies after the occurrence of any Event of Default shall be applied, to the extent permitted by law, in accordance with the terms of the Credit Agreement.

Section 2.09. No Waiver.

(a) No delay or omission of Mortgagee or any of the Lenders to insist upon strict performance of any obligation of Mortgagor under or in connection with this Mortgage or any of the other Loan Documents or to exercise any right, power or remedy available after the occurrence of any Event of Default shall waive, exhaust or impair any such obligation or any such right, power or remedy, nor shall any such delay or omission be construed to be a waiver of, or acquiescence in or to, any such Event of Default. Notwithstanding any such delay or omission, Mortgagee thereafter shall have the right, from time to time and as often as may be deemed advisable by Mortgagee, to insist upon and enforce strict performance of any and all obligations of Mortgagor under or in connection with this Mortgage or any of the other Loan Documents. Each and every right, power and remedy available to Mortgagee after the occurrence of any Event of Default may be exercised from time to time and as often as may be deemed advisable by Mortgagee.

(b) No waiver of any Event of Default shall extend to or affect any subsequent Event of Default or any other Event of Default then existing, nor shall any such waiver impair any rights, powers or remedies available to Mortgagee after the occurrence of any Event of Default. During the continuance of any Event of Default (whether or not the Secured Obligations or any part thereof shall have been declared to be immediately due and payable), Mortgagee and each of the Lenders may accept payments of amounts owing in respect of the Secured Obligations,

94730327

UNOFFICIAL COPY

and no such acceptance shall waive any such Event of Default or result in any deceleration of maturity or in any Secured Obligations which shall have been declared to be due and payable no longer being due and payable, unless Mortgagee expressly and specifically agrees in writing to any such waiver or deceleration or that such Secured Obligations is no longer due and payable.

Section 2.10. Remedies Cumulative. No right, power or remedy now or hereafter available to Mortgagee, any of the Lenders or any receiver pursuant to any of the Loan Documents or pursuant to any law or judicial decision, is or shall be exclusive of any other right, power or remedy, and each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to each and every other right, power and remedy now or hereafter available pursuant to any of the Loan Documents or pursuant to any law or judicial decision. Notwithstanding anything to the contrary set forth in this Mortgage or in any of the other Loan Documents, no act of Mortgagee shall be construed as an election to proceed under any one provision of this Mortgage or of any applicable statute or other law to the exclusion of any other such provision, statute or other law.

Section 2.11. Discontinuance of Proceedings. If Mortgagee or any of the Lenders shall exercise any right, power or remedy available pursuant to this Mortgage or any of the other Loan Documents or pursuant to any law or judicial decision, and if such exercise and any related proceedings shall be discontinued or abandoned for any reason, or if any such proceedings shall result in a final determination adverse to Mortgagee or to such Lenders, then, to the extent permitted by law, Mortgagor, Mortgagee and such Lenders thereafter shall be restored to their respective former positions and to their respective rights, powers and remedies under the Loan Documents or otherwise relating to the Secured Obligations, the Property or any other security for the Secured Obligations, and all rights, powers and remedies of Mortgagee and such Lenders shall continue to be available as if no such exercise and no such proceedings had occurred.

Section 2.12. Additional Security. If Mortgagee, any of the Lenders or any trustee or other fiduciary of Mortgagee or any of the Lenders at any time holds additional security for, or any guaranty of, all or any part of the Secured Obligations, then Mortgagee, such Lenders or such trustee or fiduciary may foreclose such security or otherwise enforce its rights, powers and remedies with respect to, and realize upon, such security or such guaranty (as the case may be), either before or concurrently with or after a foreclosure or other enforcement of this Mortgage or of any of the other Loan Documents, without being deemed to have waived any rights, benefits, liens or security interests evidenced by or arising under or in connection with this Mortgage or any of the other Loan Documents and without being deemed to

UNOFFICIAL COPY

have made an election thereby or to have accepted the benefits of such guaranty or such additional security (or the proceeds thereof) in full settlement of the Secured Obligations and of its rights with respect thereto. No judgment, order or decree with respect to any of the Notes or with respect to any such guaranty or security, whether rendered in the state where the Land is located or elsewhere, shall in any manner affect the security of this Mortgage, and any deficiency or other debt represented by any such judgment, order or decree shall, to the extent permitted by law, be secured by this Mortgage to the same extent that the Secured Obligations shall have been secured by this Mortgage prior to the rendering of such judgment, order or decree. Mortgagor, for itself and for any and all persons who may at any time claim through or under Mortgagor or who hereafter may otherwise acquire any interest in or title to all or any part of the Property or any other security for the Secured Obligations, hereby irrevocably waives and releases, to the extent permitted by law, all benefit of any and all laws that would limit or prohibit the effectiveness of anything set forth in this section.

Section 2.13. Additional Amounts Secured. All sums paid by or on behalf of Mortgagee or any of the Lenders for the purposes provided for in Article II or otherwise in connection with enforcing Mortgagee's rights and remedies hereunder or as provided by law, shall be additional Secured Obligations secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Credit Agreement Default Rate.

ARTICLE III

MISCELLANEOUS

Section 3.01. Use of Certain Terms. Each reference in this Mortgage to Mortgagor, Mortgagee or any of the Lenders shall be deemed also to include the successors and permitted assigns of such person. Each reference in this Mortgage to any gender shall be deemed also to include any other gender, and the use in this Mortgage of the singular shall be deemed also to include the plural and vice versa, unless the context requires otherwise. As used in this Mortgage, the term "person" shall mean and refer to any and all individuals, sole proprietorships, partnerships, joint ventures, associations, trusts, estates, business trusts, corporations (non-profit or otherwise), financial institutions, governments (and agencies, instrumentalities and political subdivisions thereof), and other entities and organizations. Each reference in this Mortgage to the fees or other compensation of any agents, contractors, attorneys or other representatives of Mortgagee shall be deemed also to include expenses and disbursements, as well as fees of paraprofessionals and similar personnel (such as paralegals and legal assistants).

UNOFFICIAL COPY

Section 3.02. Headings. The headings of the articles, sections, paragraphs and other subdivisions of this Mortgage are for convenience of reference only, are not to be considered a part of this Mortgage and shall not limit, expand or otherwise affect any of the terms of this Mortgage.

Section 3.03. Notices. All notices, reports, demands, requests and other communications authorized or required under this Mortgage to be given to Mortgagor or Mortgagee shall be given in the manner and to the addresses specified in the Credit Agreement for the giving of notices.

Section 3.04. Binding Effect. All covenants, agreements, conditions and other provisions of this Mortgage shall run with the land and shall bind and inure to the benefit of Mortgagor, Mortgagee the Lenders and their respective successors and assigns, whether so expressed or not. If there is more than one Mortgagor at any time, all undertakings of Mortgagor under this Mortgage shall be deemed to be joint and several.

Section 3.05. Provisions Subject to Applicable Law: Invalid Provisions To Affect No Others. All rights, powers and remedies provided in this Mortgage may be exercised only to the extent that the exercise thereof does not violate any law and are intended to be limited to the extent necessary so that they will not render this Mortgage invalid, illegal or unenforceable. In the event that any of the covenants, agreements, conditions or other provisions of this Mortgage shall be deemed invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining covenants, agreements, conditions and other provisions of this Mortgage shall in no way be affected, prejudiced or disturbed thereby.

Section 3.06. Changes. Neither this mortgage nor any covenant, agreement, condition or other provision of this Mortgage may be changed, waived, released, discharged, withdrawn, revoked or terminated orally, or by any action or inaction. In order to be effective and enforceable, any such change, waiver, release, discharge, withdrawal, revocation or termination must be evidenced by a written document or instrument signed by the party against which enforcement of such change, waiver, release, discharge, withdrawal, revocation or termination is sought, and then shall be effective and enforceable only to the extent specifically provided in such document or instrument. Any agreement hereafter made by Mortgagor, Mortgagee or any of the Lenders relating to this Mortgage or to any of the other Loan Documents shall be superior to the rights of the holder, owner or beneficiary of any intervening lien or encumbrance. Neither the modification of this Mortgage or any of the other Loan Documents nor the release of any part of the Property from the lien of this Mortgage shall impair the priority of such lien.

94730327

UNOFFICIAL COPY

Section 3.07. Waiver of Conditions. All conditions to any agreement or obligation of Mortgagee under this Mortgage or under any of the other Loan Documents (including, without limitation, any agreement or obligation to make any Compensation or other funds available to Mortgagor) are solely for the benefit of Mortgagee and the Lenders. Any or all such conditions may be waived or relaxed at any time or times by Mortgagee. No such waiver or relaxation in any particular instance shall affect Mortgagee's discretion in dealing with any such condition in any other instance.

Section 3.08. No Benefit to Third Parties. Each covenant, agreement, condition and other provision of this Mortgage and of the other Loan Documents is and at all times shall be deemed to be for the exclusive benefit of Mortgagor, Mortgagee and the Lenders. Nothing set forth in this Mortgage or in any of the other Loan Documents shall be deemed to be for the benefit of any other person (including, without limitation, the holder, owner or beneficiary of any other lien or interest in or on all or any part of the Property or the owner of any interest in Mortgagor).

Section 3.09. Exercise Of Discretion. Each and every decision, determination, estimate, request, consent or similar matter to be made or given by Mortgagee from time to time pursuant to or in connection with this Mortgage shall be within Mortgagee's sole, absolute and unlimited discretion, except to the extent expressly and specifically provided to the contrary in this Mortgage or in any of the other Loan Documents.

Section 3.10. Representatives of Mortgagee. All rights, powers and remedies of Mortgagee under this Mortgage may be exercised by Mortgagee itself or by its officers, employees, agents, contractors, attorneys or other representatives.

Section 3.11. Governing Law. The grant of this Mortgage, the creation of Mortgagee's rights and interests hereunder, the publication and perfection of the lien, security interest and other rights and interests granted or otherwise arising hereunder and the exercise of Mortgagee's rights, powers and remedies relating to the Property (whether specifically provided in this Mortgage or provided by applicable law) shall be governed by and construed in accordance with the internal laws of the state in which the Land is located, without regard to principles of conflicts of law. Otherwise, to the extent permitted by applicable law, this Mortgage and the other Loan Documents (including, without limitation, terms relating to usury considerations and terms relating to Mortgagor's liability for any deficiency following any foreclosure of this Mortgage or any other transfer of all or any part of the Property in extinguishment of any part of the Secured Obligations) shall be governed by and construed in accordance with the internal laws of

94730327

UNOFFICIAL COPY

the State of Illinois, without regard to principles of conflicts of laws.

Section 3.12. Receipt of Copy Acknowledged. Each of Mortgagor and Mortgagee hereby acknowledges that it has received an accurate and complete copy of this instrument as executed by Mortgagor.

Section 3.13. Intentionally Omitted.

Section 3.14. Maximum Amount Secured. This Mortgage is given not only to secure the amounts advanced to Mortgagor at the time of the execution and delivery of this Mortgage, but also to secure any other amount or amounts that may be obligatory advances or made at the option of Mortgagee or the Lenders, and any additional disbursements as may be made by Mortgagee or the Lenders, in accordance with the terms of this Mortgage and the Loan Documents, including the Credit Agreement. As provided in the Loan Documents, this Mortgage shall secure any and all additional or further monies which may be obligatory advances or made at the option of Mortgagee or the Lenders, after the effective date hereof, but any and all future advances secured by this Mortgage shall be made not more than 20 years after the effective date hereof. The total amount of Secured Obligations secured hereby may decrease or increase from time to time but shall not exceed the principal sum of Eighty Million Dollars (\$80,000,000). Except as otherwise provided in the Loan Documents, nothing herein contained shall be deemed an obligation on the part of the Mortgagee or the Lenders, to make any future advances. The lien of all sums advanced under any of the Loan Documents shall relate to and take priority from the date this Mortgage is recorded.

Section 3.15. Revolving Credit. The Secured Obligations evidenced by the Revolving Notes ("Revolving Loan") which is repaid by Mortgagor may be reborrowed pursuant to and in accordance with the Credit Agreement. Notwithstanding any such repayment of the Revolving Loan, all moneys advanced or applied under the Credit Agreement shall be a lien on the Property from the date this Mortgage is recorded.

Section 3.16. Interest Rate Agreement. With respect to the Secured Obligations, Mortgagor has entered into, or may in the future enter into, with First Chicago or any other Lender agreements that may give rise to Rate Hedging Obligations ("Interest Rate Agreement"), pursuant to which Mortgagor will be required to make certain payments to Mortgagee, First Chicago or such other Lender as provided in such Interest Rate Agreement. Mortgagor agrees that payments due under any Interest Rate Agreement shall constitute an obligatory advance of loan proceeds secured hereby, whether or not the total indebtedness exceeds the face amount of the Revolving Notes.

94730327

UNOFFICIAL COPY

Section 3.17. Waiver of Jury Trial; Submission to Jurisdiction; Waiver of Service and Venue. Mortgagor reaffirms and incorporates herein the provisions of the Credit Agreement (a) waiving jury trial and service of process and (b) submitting to jurisdiction and venue.

ARTICLE IV

COLLATERAL DOCUMENTS

Mortgagor acknowledges and agrees that the Secured Obligations secured hereby is secured by the Property and various other collateral, including, without limitation, the property described in the Collateral Documents. Mortgagor specifically acknowledges and agrees that none of those properties, in and of itself, if foreclosed upon would be sufficient to satisfy the outstanding amount of the Secured Obligations. Accordingly, Mortgagor acknowledges that it is in Mortgagor's contemplation that the various Collateral Documents and the other collateral pledged to secure the Secured Obligations may be pursued by Mortgagee in separate proceedings in the various states and counties where such collateral may be located and additionally that Mortgagor and other parties liable for payment of the Secured Obligations will remain liable for any deficiency judgments in addition to any amounts Mortgagee may realize on sales of other properties or any other collateral given as security for the Secured Obligations. Specifically, and without limitation of the foregoing, it is agreed that it is the intent of the parties hereto that in the event of a foreclosure of this Mortgage or any of the Collateral Documents in any separate proceeding, that the notes evidencing the Secured Obligations shall not be deemed merged into any judgment of foreclosure, but shall rather remain outstanding. It is the further intent and understanding of the parties that Mortgagee, following an Event of Default, may pursue all of its collateral with the Notes remaining outstanding and in full force and effect notwithstanding any judgment of foreclosure or any other judgment which Mortgagee may obtain.

Mortgagee shall be entitled to enforce payment and performance of the Secured Obligations and to exercise all rights and powers under this Mortgage or under any Loan Document or other agreement or any laws now or hereafter in force, notwithstanding that some or all of the Secured Obligations may now or hereafter be otherwise secured, whether by mortgage, deed of trust, pledge, lien, assignment or otherwise, including, but not limited to the Collateral Documents. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to power of sale, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that

UNOFFICIAL COPY

Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as it may be in its absolute discretion determine. No right or remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy herein or by law provided or permitted, but each shall be cumulative and shall be in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by any of the Loan Documents to Mortgagee, or to which Mortgagee may be otherwise entitled, may be exercised concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee, and Mortgagee may pursue inconsistent remedies.

Mortgagor acknowledges and agrees that the Property and the property encumbered by the Collateral Documents are located in one or more states and therefor Mortgagor waives and relinquishes any and all rights it may have, whether at law or equity, to require Mortgagee to proceed to enforce or exercise any rights, powers and remedies it may have under the Loan Documents in any particular manner, in any particular order, or in any particular state or other jurisdiction.

Furthermore, Mortgagor acknowledges and agrees that Mortgagee shall be allowed to enforce payment and performance of the Secured Obligations and to exercise all rights and powers provided under this Mortgage, the other Loan Documents, or any of them, or under any provision of law, by one or more proceedings, whether contemporaneous, consecutive or both in any one or more states in which the security is located. Neither the acceptance of this Mortgage, or of any other Loan Document, nor its enforcement in one state, whether by court action, power of sale, or otherwise, shall prejudice or in any way limit or preclude enforcement of the Loan Documents, or any of them, through one or more additional proceedings, in that state or in any other state.

Mortgagor further agrees that any particular proceeding, including without limitation, foreclosure through court action (in a state or federal court) or power of sale, may be brought and prosecuted in the local or federal courts of any one or more states as to all or any part of the Property or the property encumbered by the Collateral Documents, wherever located, without regard to the fact that any one or more prior or contemporaneous proceedings have been situated elsewhere with respect to the same or any other part of the Property and the property encumbered by the Collateral Documents.

Mortgagee may resort to any other security held by Mortgagee for the payment of the Secured Obligations in such order and manner as Mortgagee may elect.

Notwithstanding anything contained herein to the contrary, Mortgagee shall be under no duty to Mortgagor or

94730327

UNOFFICIAL COPY

others, including, without limitation, the holder of any junior, senior or subordinate mortgage on the Property or any part thereof or on any other security held by Mortgagee, to exercise or exhaust all or any of the rights, powers and remedies available to Mortgagee.

Property of Cook County Clerk's Office

94730327

UNOFFICIAL COPY

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

ARCHIBALD CANDY CORPORATION, an Illinois corporation

By: *Joseph S. Seaker*
Name: Joseph S. Seaker
Title: Vice President

Property of Cook County Clerk's Office

94730327

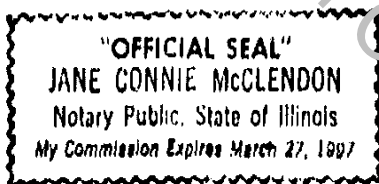
UNOFFICIAL COPY

STATE OF ILLINOIS

COUNTY OF COOK

I, Jane Connie McCleendon, a Notary Public in and for the said County and State aforesaid, DO HEREBY CERTIFY, that Joseph S. Seale, the Vice President of Archibald Candy Corporation, an Illinois corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President appeared before me this day in person and acknowledged that (s)he signed and delivered the said instrument as his (her) own free and voluntary act and as of the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 12th day of August, 1994.



Jane Connie McCleendon
Notary Public

THIS INSTRUMENT WAS PREPARED BY AND RECORDED COUNTERPARTS SHOULD BE RETURNED TO: LEE M. SMOLEN, SIDLEY & AUSTIN, ONE FIRST NATIONAL PLAZA, CHICAGO, ILLINOIS 60603

94730377

UNOFFICIAL COPY

Site No. 213
Cook County
Lansing, Illinois

Exhibit A **Legal Description**

LOTS 14 TO 18, BOTH INCLUSIVE, IN BLOCK 3 IN TORRENCE BERNICE ADDITION,
(EXCEPTING THEREFROM THAT PART TAKEN BY THE DEPARTMENT OF TRANSPORTATION IN
93L50412) BEING A SUBDIVISION OF THE SOUTH WEST 1/4 OF THE NORTH WEST 1/4 (EXCEPT
THE EAST 16 RODS THEREOF, AND EXCEPT THE SOUTH 264 FEET OF THE WEST 165 FEET OF
THE EAST 429 FEET OF THE SOUTH WEST 1/4 OF THE NORTH WEST 1/4 AFORESAID, ALSO
EXCEPTING ALL THAT PART, IF ANY, FALLING WITHIN THE SOUTH 16 RODS OF THE WEST 10
RODS OF THE EAST 26 RODS OF THE NORTH 80 RODS) IN SECTION 30, TOWNSHIP 36 NORTH,
RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property Commonly known as:

**17245 S. Torrence
Lansing, Illinois 60438**

Permanent Index Numbers:

**30-30-108-015
30-30-108-016
30-30-108-017
30-30-108-018
30-30-108-019**

94730327