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This instrument was
prepared by:
JOHN H. WINAND
KARM & WINAND
800 Waukegan Road
Suite 202
Glenview, Illinois 60025

COOK COUNTY, ILLINOIS
FILED FOR RECORD

1986 JUN 16 PM 1:15

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BOX 333 - HV

70-36-1447

SECURITY AGREEMENT

$20.00

THIS SECURITY AGREEMENT is dated June 10, 1986. The security interest granted herein is from GLENVIEW STATE BANK an Illinois Banking Corporation, not personally but as Trustee under Trust No. 3467 ("Mortgagor") and LAWRENCE I. DUXLER ("Guarantor") to FIRST TRUST & SAVINGS BANK OF GLENVIEW, individually ("Lender").

I

RECITALS

1.1 Description of Note: Mortgagor has executed and delivered to Lender a note (the "Note"), of even date herewith which note was executed by Mortgagor in the principal sum of SIX HUNDRED THIRTY FIVE THOUSAND AND NO/100 ($635,000.00) DOLLARS. In the Note, Mortgagor promises to pay to the order of Lender:

> The principal amount of the Note together with interest as specified therein in equal monthly installments of principal and interest with the unpaid principal amount together with all accrued and unpaid interest in all events due and payable on June 10, 1993.

The Note gives to the holder thereof the option to accelerate payment of the principal amount upon any default by Mortgagor.

1.2 Description of Other Lien Agreements: The payment of the Note is secured by this Security Agreement and by:

> 1.2 (a) A Mortgage executed by Mortgagor (the "Mortgage") relating to the real estate described in Exhibit 1 attached hereto and made a part hereof, (the "Real Estate") and certain Improvements, Personalty and Apparatus described therein;
>
> 1.2 (b) An Assignment of Lessor's Interest in Lease and an Assignment of Rents; and

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1.2 (c) An Assignment of Beneficial Interest of GLENVIEW STATE BANK Trust 3467 executed by Guarantor as beneficiary.

Such other security instruments are of even date herewith and, together with any amendments, modifications and replacements thereof and any and all other instruments now or hereafter given to secure the payment of the Note, are collectively referred to herein as the "other Lien Agreements" and the collateral hereunder and thereunder is collectively referred to as the "Mortgaged Premises".

II

GRANT

To secure the payment of the Note and any and all renewals, extensions, modifications and replacements thereof and to assure performance of the agreements contained herein and in the Note and Other Lien Agreements, Mortgagor and Guarantor hereby grant to Lender and to the successors and assigns thereto the following property:

(a) All apparatus, equipment and articles used or to be used to supply heat, gas, air conditioning, water, light, power, refrigeration, ventilation, transportation, moisture control and storage, including (without restricting the foregoing) partitions, air handling equipment and systems, all utiltiy lines, outlets and fixtures, screens, window coverings, window shades, storm doors and windows, floor coverings, carpets, awnings, stoves, stokers, water heaters, disposals, gas and electric equipment, elevators, pumps, motors, dynamos, cabinets and shelving, plumbing, laundry, refrigerating and cooling equipment, heating and air conditioning units, refrigerators, stoves and ovens, replacements of any such articles and all property owned by Mortgagor and used for similar purposes now or hereafter in or on the Mortgaged Premises;

(b) Articles or parts now or hereafter affixed to the property described in the foregoing granting clause or used in connections with such property, and and all replacements for such property and all other property of a similar type or used for similar purposes now or hereafter in or on the Mortgaged Premises;

(c) Mortgagor's and Guarantor's right, title and interest in all personal property; used or to be used in connections with the operation of the Mortgaged Premises and located on the Mortgaged Premises;

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(d) Mortgagor's and Guarantor's right, title and interest in the Leases, Rents, Rights and Guaranties (as such terms are defined in the Assignment of Lessor's Interest in Leases and Assignment of Rents (collectively referred to as the "Leases") made or agreed to by any person or entity (including, without limitation of the foregoing, Mortgagor and Guarantor and Lender under the powers granted by this Security Agreement and/or the Other Lien Agreements) with, or other agreements for use and occupancy make or agreed to by, any person or entity pertaining to all or any part of the Mortgaged Premises, whether such Leases have been heretofore or are hereafter made or agreed to;

(e) All proceeds from the sale, transfer or pledge of any or all of the foregoing property.

(f) An assignment of all rights granted to Mortgagor as Lessor under a lease with DUXLER TIRES, INC., an Illinois corporation, dated September 30, 1986 covering the premises legally described as:

THAT PART OF BLOCK 3, IN VALLEY LO - UNIT 4, BEING A SUBDIVISION OF SECTIONS 23 AND 26, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTHERLY OF A STRAIGHT LINE DESCRIBED AS FOLLOWS:

BEGINNING ON THE EASTERLY LINE OF SAID BLOCK 3, (BEING ALSO THE WESTERLY LINE OF WAUKEGAN ROAD), AT A POINT 283.94 FEET NORTHERLY OF THE SOUTH EAST CORNER THEREOF AND RUNNING; THENCE WESTWARDLY PERPENDICULAR TO SAID EASTERLY LINE OF BLOCK 3, A DISTANCE OF 232.59 FEET TO ITS INTERSECTION WITH THE WESTERLY LINE OF BLOCK 3 AFORESAID, IN COOK COUNTY, ILLINOIS; CONTAINING 37,398 SQUARE FEET (0.8585 ACRES) OF LAND MORE OR LESS.

The Lessor's rights include a landlord's lien upon any and all of the goods, furniture, chattels or property of any description belonging to the Lessee as security for the payment of all rent due or to become due.

The security interest granted herein is of both the landlord's lien and any property which becomes subject to such lien.

All property in which a security interest is hereby granted by Mortgagor and Guarantor is collectively referred to herein as the "Goods". The Goods listed in subparagraphs (a), (b), and (c), supra, are also referred to collectively as the "Tangible Goods".

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III

WARRANTIES AND COVENANTS

3.1 Freedom From Other Security Interests: Mortgagor and Guarantor warrant and covenant that Mortgagor and Guarantor have full title to the Goods, free of all security interests, liens and encumbrances other than the security interests granted herein and the lien of the Other Lien Agreements. Mortgagor and Guarantor will defend the Goods against the claims and demands of all persons other than Lender and will not do or permit anything to be done that may impair the value of the Goods as collateral hereunder without the written consent of Lender.

3.2 Location of Goods: Until a Default (as defined herein) shall have occurred, Mortgagor and Guarantor may have possession of the Goods and use the same in any lawful manner consistent with the provisions of this Security Agreement and all policies of insurance on the Tangible Goods. The Tangible Goods will be kept on the Mortgaged Premises and Mortgagor and Guarantor, so long as Mortgagor and Guarantor own the Tangible Goods, will not permit them to be encumbered or removed from the Mortgaged Premises without the prior written consent of Lender, provided that Mortgagor and Guarantor shall have the right to replace any items of personal property included in the Tangible Goods with similar items if (i) such replacements have value and utility equivalent or superior to that existing when the security interest created hereby first attached hereto and (ii) Lender obtains a first and paramount lien on or security interest in such replacements.

3.3 Use of Goods: Mortgagor and Guarantor will use the Goods solely for business purposes in connection with the operation of the Mortgaged Premises.

3.4 Goods to Remain Personal Property: The Tangible Goods shall remain personal property even if attached to the real estate except to the extent that they become included in the property to which the lien of the Mortgage attaches as a first and paramount lien.

3.5 Maintenance of Lender's Lien: Mortgagor and Guarantor will from time to time execute or cause to be executed such additional security agreements, financing statements, renewals thereof and other documents (and pay the cost of filing and recording the same in all public offices deemed necessary by Lender) and do such other acts (including the deposit with Lender of any certificate of title issuable with respect to the Goods, with an official notation thereon of the

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security interest hereunder) to establish, maintain and evidence Lender's security interest in the Goods, free of all other liens and claims other than the Other Lien Agreements.

3.6 Repair and Inspection of Goods: Mortgagor and Guarantor will at all times keep the Tangible Goods in good condition and repair and will permit Lender or its agent to inspect the Tangible Goods at any reasonable times.

3.7 Payment of Taxes: Mortgagor and Guarantor will cause all taxes and assessments upon the Goods or upon their use or operation to be paid when due.

3.8 Insurance: Mortgagor and Guarantor will at all times until the indebtedness secured hereby is paid in full cause the Tangible Goods insured in compliance with the Mortgage. All such insurance policies shall be maintained, held, owned and possessed as provided in the Mortgage. Lender is hereby authorized (but not obligated) to act as attorney-in-fact for Mortgagor in obtaining, adjusting, settling and cancelling all insurance on the Mortgaged Premises and/or the Goods, in endorsing any checks or drafts drawn by insurers of the Mortgaged Premises and/or the Goods and in directing Mortgagor and Guarantor to endorse any such checks or drafts as Lender may direct. Mortgagor and Guarantor will forthwith remit to Lender, in the form received, with any endorsements necessary to effect payment thereof to Lender, any proceeds of insurance required or maintained pursuant to the Mortgage or this Security Agreement which Mortgagor and Guarantor may receive or which Mortgagor and Guarantor and any other party or parties may receive. The proceeds of such insurance shall be used as provided in the Mortgage.

3.9 Lender's Right to Perform Covenants: Lender from time to time may (but shall not be obligated to) pay any amount or perform any act which Mortgagor and Guarantor have agreed to do hereunder and which Mortgagor and Guarantor shall have failed to do. All monies so advanced and expenses so incurred by Lender shall be immediately due and payable, shall be added to the principal amount of the Note, shall bear interest at the default rate specified in the Note, shall be deemed Advances under the Mortgage and shall be secured by this Security Agreement and the Other Lien Agreements as though originally part of the Note.

IV

DEFAULTS AND REMEDIES

4.1 Events of Default: Each of the following events shall constitute a default ("Default") under this Security Agreement:

4.1 (a) The untruth of any warranty by Mortgagor or Guarantor herein;

4.1 (b) The failure by Mortgagor or Guarantor to perform in a full and timely manner any obligations under this Security Agreement or the Breach of any of Mortgagor's or Guarantor's covenants contained in this Security Agreement;

4.1 (c) The occurrence of any Default (as defined therein) under any of the Other Lien Agreements or the occurrence of a Default under the Note or Guarantee;

4.1 (d) The loss, damage, destruction (to the extent such loss, damage or destruction is uninsured or underinsured), seizure, levy, distraint or attachment of any substantial portion of the Tangible Goods or any portion of the Tangible Goods which materially impairs any of the intended uses of the Mortgaged Premises.

4.1 (e) The foregoing provisions to the contrary notwithstanding, no failure by Mortgagor or Guarantor to perform under this Agreement shall be default if:

(i) Such foregoing is a failure to pay any sum of money due hereunder and such payment is made on or before the tenth (10th) day after the due date thereof; or

(ii) Such failure is a failure to perform any covenant of this Agreement other than a covenant relating to the payment of money and such failure shall be cured within thirty (30) days after receipt by Mortgagor or Guarantor of notice of such failure.

4.2 Remedies for Default: If a Default exists and the right to foreclose the Mortgage has accrued to Lender, irrespective of whether foreclosure proceedings have been commenced, then at the election of Lender, and without further demand or notice of any kind, Lender may declare all indebtedness under the Note (including any Advances) to be immediately due and payable and exercise from time to time any rights and remedies available to Lender under the Uniform Commercial Code of Illinois in order to collect such indebtedness. Mortgagor and Guarantor shall, in such event and if Lender so requests, assemble the Goods, at a convenient place designated by Lender. Mortgagor shall pay all expenses incurred by Lender in the collection of such indebtedness, including reasonable attorneys' fees and legal expenses, and in the repair of any real estate or other property to which any of the goods may be affixed. If any notification of intended disposition of any of the Goods is required by law

such notification shall be deemed reasonable and proper if given at least five days before such disposition. Any proceeds of the disposition of any of the Goods may be applied by Lender to the payment of the reasonable expenses of retaking, holding, preparing for sale and selling the Goods, including reasonable attorneys' fees and legal expenses, and any balance of such proceeds may be applied by Lender toward the payment of such of the indebtedness, and in such order of application, as Lender may from time to time elect.

4.3 Nature of Remedies: No delay or omission on the part of Lender in the exercise of any right or remedy shall operate as a waiver thereof. The remedies available to Lender under this Security Agreeement shall be exercisable in any combination whatsoever and shall be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and under the Note and any of the Other Lien Agreements.

V

MISCELLANEOUS

5.1 Modification of Loan Terms: If the time of payment of all indebtedness secured hereby or any part thereof be extended at any time or times, if the Note be renewed, modified or replaced or if any security for the Note be released, Mortgagor and Guarantor and any other parties now or hereafter liable therefore or interested in the Mortgaged Premises shall be held to consent to such extensions, renewals, modifications, replacements and releases, and their liablility and the lien hereof and of the Other Lien Agreements not so released and the rights created hereby and thereby shall continue in full force, the right of recourse against all such parties being reserved by Lender.

5.2 Successors and Assigns: This Security Agreement shall inure to the benefit of and be binding upon the heirs, legal representatives, successors and assigns of Mortgagor and Guarantor and Lender and all persons and entities (including owners and lessees) which may hereafter obtain any interest in the Mortgaged Premises or the Goods, but this paragraph shall not authorize any transfer of the Goods or interest herein except as otherwise provided in this Security Agreement or the Other Lien Agreements.

5.3 Notices: Whenever Lender or Mortgagor and Guarantor desire to give any notice to the other, it shall be sufficient for all purposes if such notice is personally delivered or sent by registered or certified United States mail, postage

prepaid, addressed to the intended recipient at the last address theretofore specified by the addressee in a written notice given to the sender. In case no other address has been so specified, notices hereunder shall be sent to the following addresses:

Lender: FIRST TRUST AND SAVINGS BANK OF GLENVIEW
1301 Waukegan Road
Glenview, Illinois 60025

Mortgagor: LAWRENCE I DUXLER
c/o Duxler Glenview Tires, Inc.
2200 Glenview Road
Glenview, Illinois 60025

Any notice given in the manner specified herein shall be deemed to have been given on the day it is personally delivered or three business days following the day it is deposited in the United States Mail.

5.4 Execution and Delivery: This Security Agreement is executed and delivered in Glenview, Illinois.

5.5 Governing Law: This Security Agreement shall be governed by and construed in accordance with the law of the State of Illinois.

5.6 Severability: If any term, restriction or covenant of this Security Agreement is deemed illegal or unenforceable, all other terms, restrictions and covenants and the application thereof to all persons and circumstances subject hereto shall remain unaffected to the extent permitted by law; and if any application of any term, restriction or covenant to any person or circumstances is deemed illegal, the application of such term, restriction or covenant to the other persons and circumstances shall remain unaffected to the extent permitted by law.

5.7 Exculpation of Trustee: This instrument is executed by the undersigned, not personally but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee.

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All the terms, provisions, stipulations, covenants and conditions to be performed by the undersigned are taken by it solely as Trustee as aforesaid, and not individually, and no personal liability shall be asserted or be enforceable against the undersigned by reason of anything contained in said instrument, or in any previously executed document, whether or not executed by the undersigned, either individually or as Trustee as aforesaid, relating to the subject matter of the foregoing instrument, all such personal liablility, if any, being expressly waived by every person now or hereafter claiming any right or security hereunder.

MORTGAGOR:

GLENVIEW STATE BANK
An Illinois Corporation,
not personally but as
Trustee under Trust No. 3467

By: _____
Vice Pres

ATTEST:

Alice Hansen
ASSISTANT TRUST OFFICER

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ACKNOWLEDGMENT

STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

I, THE UNDERSIGNED, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Kenneth H. Cooke, Vice President and Alice Hansen, Assistant Trust Officer, of GLENVIEW STATE BANK personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Asst. Trust Officer appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said Trust for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 10th day of June, 1986.

NOTARY PUBLIC

COMMISSION EXPIRES: My Commission Expires July 11, 1987

CO-ASSIGNOR AND GUARANTOR:

LAWRENCE I. DUXLER,
Individually

ACKNOWLEDGEMENT

STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

I, STEPHEN P. PATT, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT LAWRENCE J. DUXLER personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act.

GIVEN under my hand and notarial seal this 10th day of June, 1986.

NOTARY PUBLIC

COMMISSION EXPIRES:

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EXHIBIT 1 86243343

Legal Description of Premises

That part of Block 3, in Valley Lo-Unit 4, being a Subdivision in Sections 23 and 26, Township 42 North, Range 12 East of the Third Principal Meridian, lying Northerly of a straight line described as follows:

Beginning on the Easterly line of said Block 3, (being also the Westerly line of Waukegan Road) at a Point 263.94 feet northerly of the South East corner thereof and running; thence Westwardly perpendicular to said Easterly line of Block 3, a distance of 232.59 feet to its intersection with the Westerly line of Block 3 aforesaid, in Cook County, Illinois; containing 37,398 square feet (0.8585 acres) of land, more or less.

Owner of Record: GLENVIEW STATE BANK, as Trustee under Trust Agreement dated May 20, 1986 and known as Trust No: 3467.

Permanent Index Number: 04-23-401-043-0000 H.W.

Commonly Known as: 2200 Waukegan Road, Glenview, Illinois.