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This instrument was prepared by
Terry D. Jeffrey
NBD Park Ridge Bank
One South Northwest Highway
Park Ridge, Illinois 60068

MAIL: Box 405 attn: R.A. SUTTON

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MORTGAGE

THIS MORTGAGE, made this 9th day of September, 1988 by and between KAYBAR INTERESTS, INC., (hereinafter referred to as "Mortgagor") and NBD PARK RIDGE BANK, an Illinois banking corporation, One South Northwest Highway, Park Ridge, Illinois 60068 (hereinafter referred to as "Mortgagee").

WITNESSETH:

WHEREAS, Mortgagor is justly indebted to the Mortgagee on a certain loan ("Loan") in the principal amount of One Million Five Hundred Thousand and 00/100 Dollars ($1,500,000.00), evidenced by a certain Note ("Note") of the Mortgagor of even date herewith, made payable to the order of and delivered to the Mortgagee, in and by which said Note the Mortgagor promises to pay the said principal amount, or such amount thereof as may be advanced by the Mortgagee from time to time together with interest thereon from the time and at the rate or rates and in installments as provided in said Note, until the first day of the ninety-first (91st) month following the end of the Construction Period (as defined in the Note (the "Maturity Date") at which time the principal seem secured hereby and all accrued interest thereon shall immediately become due and payable.

WHEREAS, all payments due under the Note are payable at such place as the holder of the Note may from time to time in writing designate, and in the absence of such designation, then at the office of the Mortgagee at One South Northwest Highway, Park Ridge, Illinois 60068.

NOW, THEREFORE, the Mortgagor, to secure the payment of the principal indebtedness (including any renewals or extensions thereof) of One Million Five Hundred Thousand and 00/100 Dollars ($1,500,000.00) and said interest thereon in accordance with the terms, provisions and limitations of this Mortgage, and of the Note secured hereby, and the performance of the covenants and agreements herein contained by the Mortgagor to be performed and the additional obligations hereinafter described, and also in consideration of the sum of ONE DOLLAR ($1.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents MORTGAGE, GRANT, REMISE, RELEASE, ALIEN and CONVEY unto the

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Mortgagee, its successors and assigns, the real estate and all of its estate, right, title and interest therein situate, lying and being in the County of Cook and State of Illinois, legally described on Exhibit "A" attached hereto and made a part hereof which, with the property hereinafter described, is collectively referred to herein as the "Premises";

TOGETHER with all easements and rights of way appurtenant thereto, and all heretofore or hereafter vacated alleys and streets abutting said real estate;

TOGETHER with all buildings and other improvements now located thereon or which may hereafter be placed thereon, tenements, easements, fixtures and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing): all goods, machinery, tools, fire sprinklers and alarm systems, lobby and all other indoor and outdoor furniture or furnishings, floor coverings, wall coverings, draperies, lighting fixtures and all fixtures, apparatus, equipment and articles which relate to the use, occupancy and enjoyment of the Premises, and are owned by Mortgagor and not tenants, it being understood that the enumeration of any specific articles of property shall in no wise exclude or be held to exclude any items of property not specifically mentioned;

TOGETHER with all the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereinafter acquire in the Premises, and any and all awards made for the taking of eminent domain, or by any proceedings or purchase in lieu thereof, or of the whole or any part of the Premises, including without limitation any awards resulting from the change of grade of streets and awards for severance damages;

TOGETHER with all royalties, minerals, oil and gas rights and profits, water and water rights (whether or not appurtenant) owned by Mortgagor and shares of stock pertaining to such water or water rights, ownership of which affects such real estate.

All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of

the real estate, and shall for the purposes of this Mortgage be deemed to be real estate and conveyed and mortgaged hereby.

Mortgagor covenants that it is lawfully seized of the Premises, that the same are unencumbered except as heretofore approved by Mortgagee in writing, and that it has good right, full power and lawful authority to convey and mortgage the same, and that it will forever defend said Premises and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

TO HAVE AND TO HOLD the Premises unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth.

The Mortgagor hereby further covenants and agrees to and with the Mortgagee as follows:

1. PROTECTION AND MAINTENANCE OF THE PREMISES.

(a) Maintenance, Repair and Restoration of Improvements, Payment of Indebtedness, Payment of Prior Liens. Mortgagor shall: (i) promptly repair, restore or rebuild any building or improvements now or hereafter on the Premises which may become damaged or be destroyed to substantially the same character as prior to such damage or destruction; (ii) keep said Premises in good condition and repair, without waste, and free from mechanic's lien or other liens or claims for lien not expressly subordinated to the lien hereof or insured over; (iii) immediately pay when due any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof (no such superior lien to be permitted hereunder), and upon request exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (iv) complete within a reasonable time any improvements now or at any time in process of erection upon said Premises; (v) comply with all requirements of applicable law, municipal ordinances, and restrictions of record with respect to the Premises and the use thereof; (vi) make no alterations in said Premises except as contemplated herein; (vii) initiate or acquiesce in no zoning reclassification without Mortgagee's written consent, (viii) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of the Note. As used in this Paragraph 1 and elsewhere in this Mortgage, the term "indebtedness" shall mean and include the principal sum evidenced by the Note, together with all interest and additional interest thereon, and all other sums at any time secured by this Mortgage.

(b) Contested Liens. Notwithstanding anything to the contrary herein contained, Mortgagor shall have the right to contest by appropriate legal or administrative proceedings diligently prosecuted any mechanic's, materialmen's or other

liens or claims for lien upon the Premises (all hereinafter referred to as "Contested Liens") and no Contested Lien shall constitute an Event of Default (defined below) hereunder, if Mortgagor has notified Mortgagee of the intention to contest such liens and Mortgagor has deposited with Mortgagee either the full amount (herein called the "Lien Amount") of such Contested Lien together with such amount as Mortgagee may reasonably estimate as interest or penalties that might become due thereon, or a title insurance endorsement, or other security reasonably acceptable to Mortgagee and sufficient, in Mortgagee's judgment, to assure payment in full of the Lien Amount and any interest or penalties thereon. Mortgagor shall invest any money so deposited and any interest earned on said money shall accrue to and be paid to Mortgagee.

2. PAYMENT OF TAXES, TAX CONTESTS OR TAX DEPOSITS.

(a) Mortgagor's Obligation to Pay Taxes When Due. Mortgagor shall pay when due, and before any penalty or interest attaches, all general real estate taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and all other like charges against the Premises of any nature whatsoever when due and prior to delinquency (all hereinafter referred to as "Taxes"), and shall, upon written request, furnish to Mortgagee duplicate receipts therefor.

(b) Right to Contest Taxes. Mortgagor may contest the validity or amount of any such Taxes by appropriate legal or administrative proceedings diligently prosecuted provided that Mortgagor has notified Mortgagee of the intention of Mortgagor to contest the same before any Taxes have been increased by any interest, penalties, or costs; and Mortgagor has deposited or caused to be deposited with Mortgagee, at such place as Mortgagee may from time to time in writing designate, a sum of money, a title insurance endorsement or other security reasonably acceptable to Mortgagee and sufficient, in Mortgagee's judgment, to assure payment in full such contested tax and all penalties and interest that might become due thereon.

(c) Tax Deposits. If Mortgagor shall Default in its obligation and undertaking to pay the Taxes as set forth above, and the same shall not have been cured within ten (10) days after notice and demand from Mortgagee to do so, then in addition to any other remedies of Mortgagee set forth in this Mortgage in case of a Default (defined below) by Mortgagor, the Mortgagor shall deposit with Mortgagee on the first day of each month thereafter until the indebtedness secured by this Mortgage is fully paid, at such place as Mortgagee may from time to time in writing designate, and in the absence of such designation, then at the office of Mortgagee in Park Ridge, Illinois, a sum equal to one-twelfth (1/12) of the last total annual Taxes for the last ascertainable year on the Premises (unless said taxes are based

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upon assessments which exclude the improvements or any part thereof now constructed or to be constructed, in which event the amount of such deposits shall be based upon Mortgagee's reasonable estimate as to the amount of Taxes to be levied and assessed. Such deposits are to be held without any allowance of interest and are to be used for the payment of Taxes on the Premises next due and payable when they become due. If the funds so deposited are insufficient to pay any Taxes when the same shall become due and payable, Mortgagor shall, within seven (7) days after receipt of demand therefor from Mortgagee, deposit such additional funds as may be necessary to pay such Taxes in full.

3. INSURANCE.

(a) Mortgagor to Maintain Insurance. Mortgagor shall keep all improvements now or hereafter situated on said Premises insured against loss or damage by fire and other insurance hazards for not less than the full replacement cost thereof and as otherwise may reasonably be required by Mortgagee, including without limitation of the generality of the foregoing: (a) flood insurance whenever in the opinion of the Mortgagee such protection is necessary and is available, (b) Builder's Risk and Workmen's Compensation Insurance, and (c) rent loss insurance, at such time that the Premises become occupied by the first tenant. Mortgagor shall also provide liability insurance with such limits for personal injury and death and property damage as Mortgagee may require. All policies of insurance to be furnished hereunder shall be in form, companies and amounts satisfactory to Mortgagee, with standard mortgagee clauses attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to the Mortgagee. Mortgagor shall deliver all policies, including additional and renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver renewal policies not less than thirty (30) days prior to their respective dates of expiration.

(b) No Separate Insurance. Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained hereunder unless Mortgagee is included thereon under a standard mortgage clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies of such insurance.

(c) Monthly Insurance Premium Deposits. If Mortgagor shall Default in its obligation and undertaking to pay the insurance premiums as set forth above, and the same shall not have been cured within ten (10) days after notice and demand from

Mortgagee to do so, then in addition to any other remedies of Mortgagee set forth in this Mortgage in case of a Default (defined below) by Mortgagor, the Mortgagee shall have the right to demand and require that Mortgagor deposit with Mortgagee on the first day of each month thereafter until the indebtedness secured by this Mortgage is fully paid, at such place as Mortgagee may from time to time in writing designate, and in the absence of such designation, then at the office of Mortgagee in Park Ridge, Illinois, a sum equal to one-twelfth (1/12) of the last total annual insurance premium for the last ascertainable year on the Premises. Such deposits are to be held without any allowance of interest and are to be used for the payment of insurance premiums on the Premises next due and payable when they become due. If the funds so deposited are insufficient to pay any insurance premiums when the same shall become due and payable, Mortgagor shall, within seven (7) days after receipt of demand therefor from Mortgagee, deposit such additional funds as may be necessary to pay such insurance premiums in full.

4. <u>ADJUSTMENT OF LOSSES WITH INSURER AND APPLICATION OF PROCEEDS OF INSURANCE</u>. In case of loss or damage by fire or other casualty, Mortgagee is authorized: (a) to settle and adjust jointly with Mortgagor any claim under insurance policies which insure against such risks; or (b) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, Mortgagee is authorized to collect and receipt for any such insurance money. If the improvements that suffer the loss or damage cannot be rebuilt or restored prior to the Completion Date referred to in the Construction Loan Agreement referred to below secured hereby, then such insurance proceeds may, at the option of the Mortgagee, either be applied in reduction of the indebtedness secured hereby without prepayment premium, whether due or not, or be held by the Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoration of any or all improvements on said Premises. The improvements shall be so restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. In any case, where the insurance proceeds are made available for rebuilding and restoration, such proceeds shall be disbursed upon the disbursing party being furnished with satisfactory evidence of the estimated cost of completion thereof and with architects' certificates, waivers of lien, contractors' and subcontractors' sworn statements, title continuations and other evidence of cost and payments so that the disbursing party can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanics' lien claims. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of such proceeds remaining in the hands of the disbursing party shall be at least sufficient to pay for the cost

of completion of the work free and clear of liens. The Mortgagee shall approve plans and specifications of such work before such work shall be commenced. Any surplus which may remain out of said insurance proceeds after payment of such costs of building or restoration shall, at the option of the Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any party entitled thereto. No interest shall be allowed to Mortgagor on any proceeds of insurance held by the Mortgagee, provided, however, that Mortgagee, by its acceptance hereof agrees to not unreasonably withhold any request by Mortgagee that said proceeds be deposited in an interest bearing account with Mortgagee or such other investment account as Mortgagee shall determine satisfactory and secure.

5. STAMP TAX. If, by the laws of the United States of America or of any state having jurisdiction over the Mortgagor, any tax is due or becomes due in respect of the issuance of the Note (other than income taxes or other like taxes customarily payable by Mortgagee) hereby secured, the Borrower covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenants to reimburse the Mortgagee for any sums which Mortgagee may expend by reason of the imposition of any tax on the issuance of the Note secured hereby or the recording of this Mortgage.

6. LEASES AND ASSIGNMENT OF RENTS.

(a) Assignment of Rents. As further security for the indebtedness secured hereby, the Mortgagor has concurrently herewith executed and delivered to the Mortgagee an Assignment of Rents and Leases (herein called the "Assignment of Rents") dated as of the date hereof, wherein the Mortgagor has assigned to the Mortgagee all of the rents, issues and profits and/or any and all leases and/or the rights of management of the Premises, all as therein more specifically set forth, which Assignment of Rents is hereby incorporated herein by reference as fully and with the same effect as if set forth herein at length. The Mortgagor agrees that it will duly perform and observe all of the terms and provisions on its part to be performed and observed under the Assignment of Rents. The Mortgagor further agrees that it will duly perform and observe all of the terms and provisions on lessor's part to be performed and observed under any and all leases of the Premises to the end that no Default on the part of lessor shall exist thereunder. Nothing herein contained shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty or liability of lessor under any lease of the Premises or by reason of the Assignment of Rents, except for acts of negligence by Mortgagee, its employees and agents, and any and all such liability loss or damage incurred by the Mortgagee, together with the costs and expenses, including reasonable attorneys' fees, incurred by the Mortgagee in the defense of any claims or demands therefor (whether successful or not) shall be

so much additional indebtedness secured hereby and the Mortgagor shall reimburse the Mortgagee therefor on demand.

(b) Attornment by Leases. In the event of the enforcement by Mortgagee of the remedies provided for by law or by this Mortgage, the lessee under the lease of the Premises shall, at the option of the Mortgagee, attorn to any person succeeding to the interest of Mortgagor as a result of such enforcement and shall recognize such successor-in-interest as landlord under said lease without change in the terms or other provisions thereof, provided that said successor-in-interest shall recognize the right of any such lessee under its lease affecting the Premises, and provided further that said successor-in-interest shall not be bound by any payment of rent or additional rent for more than one (1) month in advance or any amendment or modification to any lease made without the consent of Mortgagee or said successor-in-interest. Each lessee, upon request by said successor-in-interest, shall execute and deliver an instrument or instruments confirming such attornment.

7. EFFECT OF EXTENSIONS OF TIME. If the payment of said indebtedness or any part thereof be extended or varied or if any part of any security for the payment of the indebtedness be released, all persons now or at any time hereafter liable therefor or interested in said Premises 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 against all such persons being expressly reserved by the Mortgagee, notwithstanding such extension, variation or release.

8. MORTGAGEE'S PERFORMANCE OF DEFAULTED ACTS. In case of Default (defined below), Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient, and may be made or accomplished either before or after acceleration of the indebtedness secured hereby or foreclosure of the lien hereof and during the period of redemption, if any. The Mortgagee may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title encumbrance or claim thereof, or redeem from any tax sale or forfeiture affecting said Premises or contest any tax or assessment or cure any Default of landlord in any lease of the Premises. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other monies advanced by Mortgagee in regard to any tax if not paid and/or to protect the Premises or the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the Default Rate specified in the Note (hereinafter called the "Default Rate"). Inaction of Mortgagee

shall never be considered as a waiver of any right accruing to it on account of any Default on the part of Mortgagor.

9. MORTGAGEE'S RELIANCE. Mortgagee, in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

10. ACCELERATION OF INDEBTEDNESS IN CASE OF DEFAULT. Mortgagor further covenants and agrees with Mortgagee, that if: (a) Default be made in the due and punctual payment of the Note secured hereby, or any payment due in accordance with the terms thereof and such Default is not cured within seven (7) days after notice thereof is sent by Mortgagee to Mortgagor; or (b) any Mortgagor, or the guarantor of the Note secured hereby shall file a petition in voluntary bankruptcy or under any chapter of Title Eleven of the United States Code or any similar law, state or federal, whether now or hereafter existing, or any answer admitting insolvency or inability to pay its debts, or fail to obtain a vacation or stay of involuntary proceedings within sixty (60) days, as hereinafter provided; or (c) any Mortgagor, or the guarantor of the Note secured thereby, shall be adjudicated a bankrupt, or the guarantor of the Note secured hereby, or the major part thereof in any involuntary proceeding or any court shall have taken jurisdiction of the property of any Mortgagor, or the guarantor of the Note secured hereby, or the major part thereof, in any involuntary proceeding for the reorganization, dissolution, liquidation or winding-up of any Mortgagor, or the guarantor of the Note secured hereby, shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within sixty (60) days; or (d) any Mortgagor, or the guarantor of the Note secured hereby, shall make an assignment for the benefit of creditors, or shall admit, in writing, its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all of its property or the major part thereof; or (e) Default shall be made in the due observance or performance of any other of the covenants, agreements or conditions hereinbefore or hereinafter contained, required to be kept or performed or observed by the Mortgagor, excluding the provisions of the Restrictions on Transfer described in Paragraph 29 below, which shall not be cured within twenty (20) days after notice thereof is sent by Mortgagee to Mortgagor, or commenced to be corrected and diligently pursued to completion if correction is impossible to perform within a twenty (20) day period; or (f) the occurrence of a Prohibited Transfer (as defined in Paragraph 29 below); or (g) Default which shall not have been cured within the applicable

grace period, if any, shall be made in the due observance or performance of any of the covenants, agreements or conditions contained, required to be kept or observed by any Mortgagor in any other instrument given to secure the payment of the Note secured hereby, then and in every such case the whole of the indebtedness hereby secured shall, at the option of the Mortgagee, become immediately due and payable without notice to Mortgagor. For purposes of this Mortgage, each of the events described in (a) through (g) of this paragraph shall be referred to as a "Default." If while any insurance proceeds or condemnation awards are being held by Mortgagee to reimburse Mortgagor for the cost of rebuilding or restoration of any or all improvements on the Premises, as set forth in this Mortgage, the Mortgagee shall be or become entitled to, and shall accelerate the indebtedness secured hereby, then and in such event, the Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by it in reduction of the indebtedness hereby secured and any excess held by it over the amount of indebtedness then due hereunder shall be returned to Mortgagor or any subsequent party holding record title to the Premises or otherwise entitled thereto without interest.

11. FORECLOSURE; EXPENSE OF LITIGATION.

(a) Right to Foreclosure. In case of Default, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens' Certificates and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the Premises. All reasonable expenditures and reasonable expenses of the nature mentioned in this paragraph and such reasonable expenses and fees as may be incurred in the protection of said Premises and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or said Premises, including probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding shall immediately become due and payable by Mortgagor, with interest thereon at a rate equal to the Default Rate as defined in the Note secured by this Mortgage at the time of such expenditure by the Mortgagee.

(b) Failure to Join a Tenant. Mortgagee shall have the right and option to commence a civil action to foreclose this Mortgage and to obtain a Decree of Foreclosure and Sale subject to the rights of any tenant or tenants of the Premises. The failure to join any such tenant or tenants as party defendants of defendants in any such civil action, or the failure of any Decree of Foreclosure and Sale to foreclose their rights, shall not be asserted by the Mortgagor as a defense in any civil action instituted to collect the indebtedness secured hereby, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Premises, any statute or rule of law at any time existing to the contrary notwithstanding.

(c) Mortgagee May Bid. Upon any foreclosure sale, the Mortgagee may bid for and purchase the Premises and shall be entitled to apply all or part of the indebtedness secured hereby as a credit to the purchase price.

12. APPLICATION OF PROCEEDS OF FORECLOSURE SALE. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which may, under the terms hereof, constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided, and all principal and interest remaining unpaid on the Note; and third, any surplus to any party entitled thereto as their rights may appear.

13. POSSESSION DURING FORECLOSURE.

(a) Appointment of Receiver. Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of said Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not and the Mortgagee hereunder or any holder of the Note may be appointed such receiver. Such receiver shall have power to collect the rents, issues and profits of said Premises during the pendency of such foreclosure suit and in case of a sale and a deficiency during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his

hands in payment in whole or in part of: (i) the indebtedness secured hereby, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure; (ii) the deficiency in case of a sale and deficiency.

(b) Mortgagee's Right of Possession in Case of Default. In any case in which under the provisions of this Mortgage Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the Premises or any part thereof personally, or by its agent or attorneys, as for condition broken. In such event Mortgagee, in its discretion, may with or without process of law, enter upon and take and maintain possession of all or any part of said Premises, together with all documents, books, records, papers and accounts of Mortgagor or then owner of the Premises relating thereto, and may exclude Mortgagor, its agents or servants wholly therefrom and may as attorney-in-fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the Premises and conduct the business, if any, thereof, either personally or by its agents, and with full power and to use such measures, legal or equitable, as, in its discretion or in the discretion of its successors or assigns, may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the Premises, including actions for the recovery of rents, actions in forcible detainer and actions in distress for rents, and with full power: (i) to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (ii) to elect to disaffirm any lease or sublease which is then subordinate to the lien hereof; (iii) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire beyond the maturity date of the indebtedness hereunder and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the Mortgage indebtedness, satisfaction of any Foreclosure Decree, or issuance of any certificate of sale or deed to any purchasers; (iv) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and

improvements to the Premises as to it may seem judicious; (v) to insure and reinsure the same and all risks incidental to Mortgagee's possession, operation and management thereof; and (vi) to receive all of such avails, rents, issues and profits hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter without notice to Mortgagor. Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor immediately upon demand. Nothing contained herein shall modify, limit or alter any like provisions contained in the Assignment of Rents and Leases of even date herewith executed by Mortgagor.

(c) Application of Income Received by Mortgagee. Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it by the preceding paragraph, shall have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following in such order as Mortgagee may determine: (i) to the payment of the operating expenses of said Premises including cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized; (ii) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises; and, if this is a Leasehold Mortgage, of all rents due or which may become hereafter due under the underlying lease; (iii) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Premises, including the cost from time to time of installing or replacing personal property such as appliances therein, and of placing the Premises in such condition as will, in the judgment of Mortgagee, make it readily rentable; and (iv) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

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14. RIGHTS AND REMEDIES CUMULATIVE; NO WAIVER. Each right, power and remedy herein conferred upon the Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any Default or acquiescence therein.

15. MORTGAGEE'S RIGHT OF INSPECTION. Mortgagee shall have the right to inspect the Premises and to inspect all books, records pertaining thereto at all reasonable times, and access thereto shall be permitted for that purpose upon at least 24-hour notice and during the business day.

16. CONDEMNATION. Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the entire proceeds of any award or any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation. The Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness secured hereby without prepayment premium, whether due or not, or make said proceeds available for restoration or rebuilding of the Premises in accordance with plans and specifications to be submitted to and approved by the Mortgagee. In the event said proceeds are made available for rebuilding or restoration, by the election of the Mortgagee as aforesaid, the proceeds of the award shall be paid out in the same manner as is provided in Paragraph 4 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration. Any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall, at the option of the Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any party entitled thereto. No interest shall be allowed to Mortgagor on account of any proceeds of any award held by the Mortgagee. Mortgagor agrees to execute such further assignments of any compensation, awards, claims, and damages as the Mortgagee may reasonably require from time to time. Mortgagee shall not be responsible for any failure to collect any amount in connection with any such proceeding regardless of the cause of such failure.

17. RELEASE UPON PAYMENT AND DISCHARGE OF MORTGAGOR'S OBLIGATIONS. Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby.

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18. GIVING OF NOTICE. Any notice which shall be required to be given hereunder shall be in writing, and the mailing thereof by certified or registered U.S. mail addressed to the Mortgagor at: One South Northwest Highway, Park Ridge, Illinois 60068, or at such other place as the Mortgagor may by notice in writing designate as a place for service of notice and shall constitute service of notice hereunder. Any notice mailed shall be deemed to have been given three (3) business days after the day of mailing. A copy of all notices to Mortgagor shall be delivered to:

If to Borrower:

Kaybar Interests, Inc.
c/o McLennan Company
25 North Northwest Highway
Park Ridge, Illinois 60068

If to Lender:

NBD Park Ridge Bank
One South Northwest Highway
Park Ridge, Illinois 60068
Attn: Mr. Sherman E. Peterson

Notice may also be given by hand delivery and, in such case, shall be deemed to have been given as of the date of receipt thereof.

19. WAIVER OF DEFENSE. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note hereby secured.

20. WAIVERS.

(a) Waiver of Statutory Rights. To the extent permitted by law, Mortgagor hereby agrees that if a Default occurs hereunder, neither Mortgagor nor anyone claiming through or under Mortgagor shall or will apply for or avail itself of any appraisement, valuation, stay, extension or exemption laws, or any so-called "moratorium laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all rights to have the property and estates comprising the Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. To the extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption from sale under

any Order or Decree of Foreclosure of this Mortgage, or under any sale pursuant to any statute, order, decree or judgment of any court, of the land trust under which Mortgagor acts and each and every person (except decree or judgment creditors of the Mortgagor) acquiring any interest in or title to the Premises subsequent to the date of this Mortgage.

(b) Waiver of Claims. To the extent permitted by law, Mortgagor further waives any and all right to claim or recover against Mortgagee, its officers, employees, agents and representatives for loss or damage to Mortgagor, the Premises, Mortgagor's other property, or the property of others under Mortgagor's control from any cause except for the gross negligence and willful or malicious acts of Mortgagee, its employees, agents and representatives. All sums payable by Mortgagor hereunder shall be paid without notice, demand, counterclaim, setoff, deduction, or defense, and without abatement, suspension, deferment, diminution, or reduction, and the obligations and liabilities of Mortgagor hereunder shall in no way be released, discharged, or otherwise affected (except as expressly provided herein) by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Premises or any part thereof; (ii) any restriction or prevention of or interference with any use of the Premises or any part thereof; (iii) any title defect or encumbrance or any eviction from the Premises or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation, or other like proceeding relating to the Mortgagee, or any action taken with respect to this Mortgage by any trustee or receiver of the Mortgagee or by any court in any such proceeding; (v) any claim which Mortgagor has or might have against the Mortgagee; (vi) any Default or failure on the part of the Mortgagee to perform or comply with any of the terms hereof of any other agreement with Mortgagor; or (vii) any other occurrence whatsoever whether similar or dissimilar to the foregoing or whether Mortgagor shall have notice or knowledge of any of the foregoing. Except as expressly provided herein, Mortgagor waives all rights, now or hereafter conferred by statute or otherwise, to any abatement, suspension, deferment, diminution, or reduction of any obligation secured hereby.

21. FILING AND RECORDING FEES. Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the execution and acknowledgement of this Mortgage and all federal, state, county and municipal taxes, and other taxes (other than Mortgagee's income on other like taxes accruing by reason of the interest payable on the loan), duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of said Note and this Mortgage.

22. BUSINESS PURPOSE. Mortgagor represents that the proceeds of the loan secured by this Mortgage will be used for

the purposes specified in Paragraph 6404, et seq., of Chapter 17 of the Illinois Revised Statutes, and that the principal obligation secured hereby constitutes a business loan which comes within the purview of said paragraph.

23. CONSTRUCTION LOAN.

(a) Construction Mortgage. The within Mortgage secures an obligation incurred for the construction of improvements on the land mortgaged herein and constitutes a "construction mortgage" within the meaning of Section 9-313(1) of the Illinois Uniform Commercial Code.

(b) Construction Loan Agreement. The proceeds of the loan secured hereby are to be disbursed by Mortgagee in accordance with the provisions contained in that certain Construction Loan Agreement (the "Loan Agreement") dated as of the date hereof by and between Mortgagee and Mortgagor. In the event of conflict of this Mortgage and the Loan Agreement, the Loan Agreement shall govern. All advances and indebtedness arising and accruing under the Loan Agreement from time to time, whether the total amount thereof may exceed the face amount of the Note secured hereby, shall be secured hereby to the same extent as though said Loan Agreement were fully incorporated in this Mortgage and the occurrence of any Event of Default under said Loan Agreement shall constitute a Default under this Mortgage entitling the Mortgagee to exercise all of the rights and remedies conferred upon the Mortgagee by the terms of this Mortgage or by law as in the case of any other Default.

(c) Additional Advances. It is understood and agreed, however, that with respect to subsequent purchasers and mortgagees without actual notice, none of the advances or indebtedness arising or accruing under the Loan Agreement shall result in an increase of the indebtedness secured and to be secured hereby over the face amount of the Note beyond five hundred percent (500%) of such face amount. In determining the amount of such increase there shall be excluded from any computation, all indebtedness which would constitute secured indebtedness under the terms of this Mortgage had this paragraph 23 been omitted herefrom.

24. LATE CHARGES. The Note secured hereby requires the payment of a late charge in the event any installment of principal or interest due thereunder shall become overdue for a period in excess of fifteen (15) days. Said Note requires the payment to the Mortgagee of a late charge of Four Cents ($0.04) for each dollar so overdue to defray part of the cost of collection. Said late charge shall be secured hereby as indebtedness as that term is defined in paragraph 1 hereof.

25. OTHER PREMISES OR IMPROVEMENTS. Mortgagor shall not by act or omission permit any building or other improvement on any premises not subject to the lien of this Mortgage to rely on the Premises or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises or any interest therein to be so used. Similarly, no building or other improvement on the Premises shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of the Premises as a zoning parcel separate and apart from any premises not subject to the lien of this Mortgage. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this paragraph shall be void.

26. NO MERGER. It being the desire and intention of the parties hereto that the Mortgage and the lien thereof do not merge in fee simple title to the Premises, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to the Premises or the ownership thereof, then, unless a contrary intent is manifested by Mortgagee as evidenced by an express statement to that effect in an appropriate document duly recorded, this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

27. SECURITY AGREEMENT AND FIXTURE FINANCING STATEMENT.

(a) Security Agreement. 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 Premises are located with respect to all sums now or hereinafter on deposit with the Mortgagee for taxes and insurance premiums ("Deposits"), if any, and with respect to any property included in the definition herein of the word "Premises", 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 Section 9-313 of the Code), and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof (said property, replacements, substitutions, additions and the proceeds thereof being sometimes herein collectively referred to as the "Collateral"); (ii) that a security interest in and to the Collateral and the Deposits is hereby granted to the Mortgagee, and (iii) that the Deposits and all of Mortgagor's right, title and interest therein are hereby assigned to the Mortgagee; all to secure payment of the indebtedness and to secure performance by the Mortgagor of the terms, covenants and provisions hereof.

(b) Applicability of Commercial Code in Case of Default. If a Default occurs under this Mortgage, Mortgagee, pursuant to the appropriate provisions of the Code, shall have an option to proceed with respect to both the real property and Collateral in accordance with its rights, powers and remedies with respect to the real property, in which event the Default provisions of the Code shall not apply. The parties agree that if the Mortgagee shall elect to proceed with respect to the Collateral 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 of the Collateral 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. Mortgagor agrees that without the written consent of Mortgagee, Mortgagor will not remove or permit to be removed from the Premises any of the Collateral except that so long as the Mortgagor is not in Default hereunder, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Premises, but only upon replacing the same or substituting for the same, other Collateral at least equal in value and utility to the initial value and utility of that disposed of and in such a manner that said replacement or substituted Collateral shall be subject to the security interest created hereby and that the security interest of Mortgagee shall be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby. Mortgagor covenants and represents that all Collateral now is, and that all replacements thereof, substitutions therefor or additions thereto, unless the Mortgagee otherwise consents, and will be free and clear of liens, encumbrances, title retention devices and security interests of others.

(c) Fixture Filing Financing Statement. This Mortgage is intended to be a financing statement within the purview of Section 9-402(b) of the Code with respect to those items of equipment, goods or inventory which are fixtures on the Premises. The addresses of the Mortgagor (Debtor) and Mortgagee (Secured Party) are hereinafter set forth:

Address of Mortgagee:

NBD Park Ridge Bank
One South Northwest Highway
Park Ridge, Illinois 60068

Address of Mortgagor:

Kaybar Interests, Inc.
c/o McLennan Company
25 North Northwest Highway
Park Ridge, Illinois 60068

This Mortgage is to be filed for the record with the Recorder of Deeds of the county where the Premises are located. Mortgagor is the record owner of the Premises.

(d) Separate Security Agreements and Financing Statements. Mortgagor, upon request by Mortgagee from time to time, shall execute, acknowledge and deliver to Mortgagee to so execute, acknowledge and deliver to Mortgagee, a separate Security Agreement, Financing Statement or other similar security instruments, in form satisfactory to Mortgagee, covering all property of any kind whatsoever owned by Mortgagor, as the case may be, which is used in the operation of the Premises and which constitutes goods within the meaning of the Code or concerning which there may be any doubt whether the title to same has been conveyed by or security interest perfected by this Mortgage under the laws of the state in which the Premises are located, and will further execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any financing statement, affidavit, continuation statement or certificate or other documents as Mortgagee may request in order to perfect, preserve, maintain, continue and extend the security interest under and the priority of this Mortgage and such security instrument. Mortgagor further agrees to pay to Mortgagee on demand all costs and expenses incurred by Mortgagee in connection with the preparation, execution, recording, filing and refiling of any such document. Mortgagor shall from time to time, on request of Mortgagee, deliver to Mortgagee an inventory of the Collateral in reasonable detail.

28. TRUTH-IN-LENDING. Mortgagor represents and agrees that the obligations secured hereby is an exempt transaction under the Truth-in-Lending Act, 15 U.S.C., Section 1601, et seq.

29. RESTRICTIONS ON TRANSFER.

(a) Prohibited Transfers. It shall be an immediate Event of Default hereunder if, without the prior written consent of the lender, which consent shall not be unreasonably withheld, if the following shall occur (hereinafter called a "Prohibited Transfer"): (i) If Mortgagor shall create, effect or consent to or shall suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation of the Premises or any part thereof, or interest therein.

In case of a Prohibited Transfer, a Default thereunder shall be deemed to have occurred whether any such sale, mortgage, security interest, or other like encumbrance or alienation is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, that the foregoing provisions of this paragraph 29 shall not apply (i) to the lien of this Mortgage or any other liens securing the Note secured hereby; (ii) to the lien of current Taxes or to mechanic's liens or delinquent Taxes which are being contested and are insured over.

(b) Reasonableness of Restrictions. Mortgagor acknowledges and agrees, for itself and its successors, that the foregoing restrictions on sale, transfer, or conveyance are reasonable. Any violation of the terms of this paragraph 29 shall entitle Mortgagee to declare the whole outstanding principal balance of the Note, together with interest accrued thereon and any other sums owing under the terms of this Mortgage or any other instrument related to the indebtedness hereby secured, immediately due and payable and to foreclose the lien and security interest granted in this Mortgage.

(c) Binding Upon Successors. The provisions of this paragraph 29 shall be operative with respect to, and shall be binding upon, any persons who, in accordance with the terms hereof or otherwise, shall acquire any part or interest in or encumbrance upon the Premises a beneficial interest in Mortgagor.

30. MAXIMUM ALLOWABLE RATE OF INTEREST. All agreements herein and in the Note are expressly limited so that in no contingency or event whatsoever, whether by reason of advancement of the proceeds hereof, acceleration of maturity of the unpaid principal balance of the Note, or otherwise, shall the amount paid or agreed to be paid to the Mortgagee for the use, forbearance or detention of the money to be advanced hereunder exceed the highest lawful rate permissible under applicable usury laws. If, from any circumstances whatsoever, fulfillment of any provision hereof or of the Note or any other agreement referred to herein, at the time performance of such provision shall be due, shall involve transcending the limit of validity prescribed by law which a court of competent jurisdiction may deem applicable hereto, then ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity and if from any circumstance the Mortgagee shall ever receive as interest an amount which would exceed the highest lawful rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance due under the Note and not to the payment of interest.

31. MORTGAGEE'S LIEN FOR SERVICE CHARGE AND EXPENSES. At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan

proceeds disbursed from time to time) the payment of any and all loan fees or service charges, liquidated damages, loan expenses including but not limited to reasonable attorneys' fees of Mortgagee's counsel to prepare loan documents, appraisal fees, and advances due to or incurred by Mortgagee in connection with the loan to be secured hereby; provided, however, that in no event shall the total amount of loan proceeds disbursed plus such additional amounts exceed five hundred percent (500%) of the face of the Note.

32. MISCELLANEOUS. The following understandings shall be applicable to this Mortgage:

(a) Successors. This Mortgage and all provisions hereof shall extend to and be binding upon Mortgagor and its successors, grantees and assigns, any subsequent owner or owners of the Premises and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness of any part thereof whether such persons shall have executed said Notes or this Mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein, and the holder or holders, from time to time, of the Notes secured hereby.

(b) Invalidity of a Provision. In the event one or more of the provisions contained in this Mortgage or the Notes secured hereby or in any other security documents given to secure the payment of the Notes secured hereby shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of this Mortgage, and this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

(c) Illinois Law. This Mortgage and the Note it secures are to be construed and governed by the laws of the State of Illinois.

(d) Estoppel Certificates. Mortgagor, on written request of the Mortgagee, will furnish a signed statement of the amount of the indebtedness secured hereby and whether any Default then exists hereunder and specifying the nature of such Default.

(e) Subordination. At the option of the Mortgagee this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases of all or any part of the Premises upon the execution by Mortgagee and recording thereof, at any time hereafter, in the Office of the Recorder of Deeds in and for the county wherein the

Premises are situated, of a unilateral declaration to that effect.

(f) Grammatical Adjustments. Whenever the context requires, the singular form of any word herein shall include the plural form, and vice versa, and the neuter form of any word shall include the masculine and feminine forms, and vice versa.

33. ENVIRONMENTAL MATTERS; NOTICE; INDEMNITY.

(a) Mortgagor shall not install, use, generate, manufacture, produce, store, release, discharge or dispose of on, under or about the Premises, nor transport to or from the Premises, any Hazardous Substance nor allow any other person or entity to do so.

(b) Mortgagor shall keep and maintain the Premises in compliance with, and shall not cause or permit the Premises to be in violation of any Environmental Law.

(c) Mortgagor shall give prompt written notice to Mortgagee of:

(i) any proceeding, investigation or inquiry commenced by any governmental authority with respect to the presence of any Hazardous Substance on, under or about the Premises or the migration thereof to or for adjoining property;

(ii) all claims made or threatened by any individual or entity against Mortgagor or the Premises relating to any loss or injury allegedly resulting from any Hazardous Substance; and

(iii) the discovery by Mortgagor of any occurrence or condition on any real property adjoining or in the vicinity of the Premises which might cause the Premises or any part thereof to be subject to any restriction on the ownership, occupancy, transferability or use of the Premises under any Environmental Law.

(d) Mortgagee shall have the right and privilege to:

(i) join in and participate in, as a party if it so elects, any one or more legal proceedings or actions initiated with respect to the Premises; and to

(ii) have all costs and expenses thereof, including, without limitation, Mortgagee's reasonable attorneys' fees and costs paid by Mortgagor.

(e) Mortgagor shall protect, indemnify and hold Mortgagee and its directors, officers, employees, agents, succes-

sors and assigns harmless from and against any and all loss, damage, cost, expense and liability including, without limitation, reasonable attorneys' fees and costs, directly or indirectly rising out of or attributable to the installation, uses, generation, manufacture, production, storage, release, threatened release, discharge, disposal or presence of a Hazardous Substance on, under or about the Premises, including, without limitation:

(i) all foreseeable consequential damages; and

(ii) the costs of any required or necessary repair, cleanup or detoxification of the Premises; and

(iii) the preparation and implementation of any closure, remedial or other required plans. This indemnity shall survive the satisfaction, release or extinguishment of the lien of the Mortgage, including, without limitation, any extinguishment of the lien of the Mortgage by foreclosure or deed in lieu thereof.

Remedial Work. If any investigation, site monitoring, containment, cleanup, removal, restoration or other remedial work of any kind or nature (the "Remedial Work") is reasonably necessary or desirable under any applicable federal, state or local law, regulation or ordinance, or under any judicial or administrative order or judgment, or by any governmental person, board, commission or agency, because of or in connection with the current or future presence, suspected presence, release or suspected release of a Hazardous Substance into the air, soil, ground-water, surface water or soil vapor at, on, about, under or within the Premises or portion thereof, Mortgagor and shall, within thirty (30) days after written demand for performance by Lender (or within such shorter time as may be required under any applicable law, regulation, ordinance, order or agreement), commence and thereafter diligently prosecute to completion all such Remedial Work. All Remedial Work shall be performed by contractors approved in advance by Mortgagee and under the supervision of a consulting engineer approved in advance by Mortgagee. All costs and expenses of such Remedial Work, including, without limitation, the reasonable fees and expenses of Mortgagee's counsel, incurred in connection with monitoring or review of the Remedial Work shall be paid by Mortgagor. If Mortgagor shall fail or neglect to timely commence or cause to be commenced, or shall fail to diligently prosecute to completion, such Remedial Work, the Mortgagee may, but shall not be required, to cause such Remedial Work to be performed; and all costs and expenses thereof, or incurred in connection therewith, including, without limitation, the reasonable fees and expenses of Mortgagee's counsel, shall be paid by Mortgagor to Mortgagee forthwith after demand and shall be a part of the indebtedness evidenced by the Note.

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Environmental Definitions.

(a) The term "Environmental Law" means and includes, without limitation, any federal, state of local law, statute, regulation or ordinance pertaining to health, industrial hygiene or the environmental or ecological conditions on, under or about the Premises, including, without limitation, each of the following:

(i) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), 42 U.S.C. Sections 9601, et seq.;

(ii) the Resource Conservation and Recovery Act of 1976, as amended ("RCRA"), 42 U.S.C. Sections 6901, et seq.;

(iii) the Illinois Environmental Protection Act, as amended, Ill.Rev.Stat., 1987, ch. 111-1/2, para. 1001, et seq.;

(iv) The Clean Air Act, as amended, 42 U.S.C. Sections 1252, et seq.;

(v) and the rules, regulations and ordinances of the U.S. Environmental Protection Agency, the Illinois Environmental Protection Agency and the county of Cook and of all other agencies, boards, commissions and other governmental bodies and officers having jurisdiction over the Premises or the use or operation thereof.

(b) The term "Hazardous Substance" means and includes, without limitation:

(i) those substances included within the definitions of "hazardous substances", "hazardous materials", "toxic substances" or "solid waste" in any of CERCLA, RCRA, the Illinois Environmental Protection Act and the Hazardous Materials Transportation Act (49 U.S.C. Sections 1801, et seq.) and in regulations promulgated pursuant thereto;

(ii) those substances listed in the U.S. Department of Transportation Table or amendments thereto (49 CFR 172.101) or by the U.S. Environmental Protection Agency (or any successor agency) as hazardous substances (40 CFR Part 302 and any amendments thereto);

(iii) those other substances, materials and wastes which are or become regulated under any applicable federal, state or local law, regulation or ordinance or by any federal, state or local governmental agency, board, commission or other governmental body, or which are or become classified as hazardous or toxic by any such law, regulation or ordinance; and

(iv) any material, waste or substance which is any of asbestos, polychlorinated byphenyls, designated or listed as a "hazardous substance" pursuant to Section 311 or Section 307 of the Clean Water Act (33 U.S.C. Sections 1251, et seq.), explosive or radioactive.

IN WITNESS WHEREOF, the Mortgagor has executed this instrument as of the day and year first above written.

KAYBAR INTERESTS, INC.

ATTEST:

By: _____ Its: Secy

By: _____ Its: President

COOK COUNTY, ILLINOIS
FILED FOR RECORD
1988 OCT 11 AM 10: 35

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EXHIBIT "A"

Lot 1 in Touhy-Higgins Subdivision, being a Subdivision in the West 1/2 of the North West 1/4 of Section 36, Township 41 North, Range 11 East of the Third Principal Meridian, in Cook County, Illinois.

Tax I.D. No. 08-36-100-011

Common Address: 2801 Touhy Avenue, Elk Grove Village, Illinois

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Patricia H. Fay, a Notary Public in and for said county in the state aforesaid, do hereby certify that J. D. Scholz and James D. McLennan personally known to me and known by me to be the President and (~~Assistant~~) Secretary of Kaybar Interests, Inc., appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their free and voluntary act and as the free and voluntary act of Kaybar Interests, Inc. as aforesaid, for the uses and purposes therein set forth, and the said (Assistant) Secretary then and there acknowledged that (s)he, as custodian of the corporate seal of Kaybar Interests, Inc., did affix the corporate seal to said instrument as h___ free and voluntary act and as the free and voluntary act of Kaybar Interests, Inc. as aforesaid for the uses and purposes there set forth.

Given under my hand and seal this 27th day of September, 1988.

Patricia H. Fay
Notary Public

My commission expires: Dec. 1, 1991

"OFFICIAL SEAL"
PATRICIA H. FAY
Notary Public, State of Illinois
My Commission Expires 12/1/91

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