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CONTINUING COLLATERAL MORTGAGE

THIS CONTINUING COLLATERAL MORTGAGE (hereinafter "Mortgage"), is made this 30th day of November, 1988, between Merlin Muffler Shops, Inc., an Illinois corporation, whose address is 1250 Grove Ave., Suite 100, Barrington, Illinois 60010 (hereinafter "Mortgagor") and Comerica Bank-Detroit, a Michigan banking corporation (hereinafter "Mortgagee").

WITNESSETH:

That to secure indebtedness in the sum of Twenty Six Million and No/100 Dollars ($26,000,000.00) lawful money of the United States, together with interest thereon to be paid according to a certain Guarantee by Mortgagor of the indebtedness of Armada Corporation, a Michigan corporation, to the Mortgagee under a certain Revolving Credit Agreement dated November 30, 1988 ("Credit Agreement"), and any extensions or renewals thereof, together with the payment of any and all sums, indebtedness and liabilities of any and every kind now or hereafter owing and to become due from the Mortgagor during the term of this Mortgage, howsoever created, incurred, evidenced, acquired or arising whether under said above-mentioned Guarantee or under any other instrument, obligation, guaranty, contract or agreement or dealing of any and every kind now or hereafter existing or entered into between the Mortgagor and the Mortgagee, or otherwise, and whether direct, indirect, primary, secondary, fixed or contingent, due or to become due, together with interest and charges and including all present and future indebtedness or obligation of third parties to Mortgagee which is guaranteed by Mortgagor and of present and future indebtedness originally owing by Mortgagor to third parties and assigned by said third parties to Mortgagee, and any and all renewals of any of the foregoing (hereinafter collectively called the "Indebtedness"), and for the purpose of securing the repayment of said Indebtedness with interest and for the performance of the covenants hereinafter contained, the Mortgagor hereby mortgages, conveys and warrants to said Mortgagee, its successors and assigns, the lands, premises and property in the County of Cook, in the State of Illinois, as described on Schedule A attached hereto, together with the hereditaments and appurtenances thereof, any and all buildings and other structures now or hereafter erected upon said premises and all fixtures and all personal property now or hereafter attached to or used in connection with the premises, said fixtures and personal property to include those items or types of items listed in Schedule A (if any) attached hereto and to also include, but

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not by way of limitation, any plumbing, sinks, faucets, light fixtures, electrical wiring, heating, cooling and air conditioning units and any equipment or apparatus needed to operate the same, mirrors, doors, window shades or blinds, screens, awnings, carpeting, railings, shelves or bookcases, burglar alarms or other security systems, locks, partitions, fences, gates, signs, built-in desks or seats or benches, which are hereby declared and shall be deemed to be fixtures and accessions to the free-hold and a part of the realty and a portion of the security for the repayment of the Indebtedness herein mentioned and together, where the realty is used for commercial or industrial purposes or upon which is constructed a multiple family housing structure of over four units, with all the rents from existing or future leases, or otherwise, issues and profits thereof which are hereby assigned, transferred and set over to the Mortgagee, to secure the performance of the covenants contained in this Mortgage and to be subject to the lien of this Mortgage.

And the said Mortgagor, for his heirs, executors and administrators, successors and assigns, hereby covenants to and with said Mortgagee, its successors and assigns, as follows:

FIRST: The Mortgagor will pay to the Mortgagee, its successors and assigns, any and all sums of money now owing or hereafter to become owing by the said Mortgagor or either or any of them to the said Mortgagee during the continuance of this Mortgage to an amount not exceeding the sum of TWENTY SIX MILLION AND NO/100 DOLLARS ($26,000,000.00) (the "Principal Indebtedness") outstanding at any one time, together with interest, according to the terms of the evidences of the instruments or agreements evidencing such Indebtedness, including but not limited to the Guarantee, and Mortgagor agrees that this Mortgage is a continuing collateral mortgage securing the payment of all such Indebtedness provided, however that in no event shall the total amount of the Indebtedness, including loan proceeds disbursed plus any additional charges, exceed two hundred percent (200%) of the Principal Indebtedness. Mortgagor will pay to the Mortgagee, its successors and assigns, all other Indebtedness during the term that this Mortgage is in existence, now existing or hereafter arising, direct or indirect, absolute or contingent, due or to become due according to the term of the Guarantee or other instrument evidencing said Indebtedness, and Mortgagor agrees that this Mortgage is a continuing mortgage securing the payment of said Indebtedness.

SECOND: The Mortgagor will pay at maturity all taxes, assessments and all other charges and encumbrances which now are or shall hereafter be or appear to be a lien upon said

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premises, or any part thereof except to the extent contested in good faith and bonded in a manner satisfactory to Secured Party, and that in default thereof the Mortgagee may, without demand or notice, pay said taxes, assessments, charges or encumbrances and pay such sums of money as the Mortgagee may deem necessary therefor, and shall be the sole judge of the legality or validity thereof and of the amount necessary to be paid in satisfaction thereof.

THIRD: The Mortgagor shall keep all buildings erected and to be erected upon said premises insured against loss and damage by fire and such other hazard insurance as may reasonably be required by the Mortgagee, as aforesaid, the policies for which insurance shall be made payable in case of loss to the Mortgagee, and that in default thereof, the Mortgagee may procure such insurance and may pay and expend for premises for the same, such sums of money as it may deem necessary. All such policies shall contain a provision whereby they may not be cancelled except upon thirty days' prior written notice to the Bank. At the option of the Mortgagee, the proceeds of loss under any policy, whether endorsed payable to the Mortgagee or not, may be applied in payment of the principal, interest or any other sum secured by this instrument, whether due or not, or to the restoration or replacement of any building on the mortgaged premises, without in any way affecting the lien of this Mortgage, or the obligation of the Mortgagor, or any other person, for the payment of the Indebtedness hereby secured, whether the Mortgagor herein be the then owner of said premises or not. The Mortgagor will promptly repair, restore, replace or rebuild any part of the premises now or hereafter subject to the lien of this Mortgage which may be damaged or destroyed by any casualty whatsoever or which may be affected by any eminent domain proceedings, and Mortgagor will complete and pay for, within a reasonable time, any structure at any time in the process of construction on the premises.

FOURTH: The Mortgagor will abstain from commission of waste upon said premises, keep the buildings thereon mortgaged in good repair, and promptly comply with all laws, regulations and requirements of any governmental body affecting said mortgaged premises, and should said premises, or any part thereof, require inspection, repair, care or attention of any kind or nature, not provided by the Mortgagor, the Mortgagee herein, being hereby made sole judge of the necessity therefor, after having made reasonable attempt to notify the Mortgagor, may enter or cause entry to be made upon said property, and inspect, repair or maintain the same as the Mortgagee may deem necessary, and may pay such sum of money as the Mortgagee may deem essential for the preservation of the mortgage

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security, which sum or sums shall be charged or added to the then remaining principal balance due under the terms of this Mortgage and the Guaranty or other evidence of Indebtedness hereby secured, and shall be a further lien upon said mortgaged premises, and such sums shall bear interest at the highest rate charged by Mortgagee to Mortgagor on Indebtedness secured hereby. Waste shall include but not be limited to the failure of Mortgagor to pay any taxes or assessments heretofore or hereafter assessed against the said premises, or any insurance premiums with respect to policies covering said premises or any part thereof.

FIFTH: If Mortgagor defaults in the performance of any covenants herein, Mortgagee, its successors or assigns, may pay such taxes, assessments and other charges and encumbrances, may effect such insurance, may make such repairs and may cause the abstract or abstracts of title and the tax histories of the aforesaid mortgaged premises to be certified to date, or may procure new abstracts and tax histories or title search, in case none has been furnished, or in case the same have been withdrawn from the possession of said Mortgagee by or under the order or direction of said Mortgagor, and the moneys paid therefor shall be a lien upon said premises added to the amount secured by this Mortgage and payable forthwith, with interest thereon at the highest rate charged by Mortgagee to Mortgagor on Indebtedness secured hereby.

SIXTH: Should default be made in the payment of said principal or interest or taxes or assessments or insurance premiums, or any part thereof, when the same are payable as provided, or should Mortgagor default in the timely performance of any covenant, condition or agreement set forth in this Mortgage, then the entire said principal sum, with all interest arrearages, and insurance premiums, and all other sums due and payable under this Mortgage shall, at the option of Mortgagee, its successors and assigns, and without notice, become payable immediately, although the period above limited for the payment thereof shall not then have expired, anything contained herein or in the Guaranty or any instrument evidencing Indebtedness secured hereby to the contrary notwithstanding, and any failure to exercise said option shall not constitute a waiver of the right to exercise the same at any other time. The commencement by Mortgagee, its successors or assigns, of proceedings to foreclose this Mortgage in any manner authorized by law shall be deemed an exercise of said option, unless such proceedings on their face indicate otherwise.

SEVENTH: If any breach of warranty or covenant exists at any time with respect to this Mortgage, foreclosure proceedings of any second mortgage or any junior lien of any

kind are instituted, or any other proceedings are instituted against Mortgagor to enforce payment or liquidation of his outstanding obligations, Mortgagee may, at its option and without notice, declare the Indebtedness secured hereby immediately due and payable. In addition, with respect to the right, title, interest or lien of any person or entity which is superior to the lien of this Mortgage, Mortgagee shall have the right to acquire and/or pay off the holder of such right, title, interest or lien and add the amount so paid to the Indebtedness secured hereby and charge interest thereon at the highest rate charged by Mortgagee to Mortgagor on any Indebtedness secured hereby.

EIGHTH: When the Indebtedness shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof in accordance with the Illinois Mortgage Foreclosure Act, Ill. Rev. Stat. ch. 110, para. 15-1101 et seq. (1987) (the "Act:§") and to exercise any other remedies of Mortgagee provided in the Note, this Mortgage, or any other loan documents, or which Mortgagee may have at law, at equity or otherwise. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, 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, and similar data and assurance with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Premises, and any other expenses and expenditures which may be paid or incurred by or on behalf of Mortgagee and permitted by the Act to be included in such decree. All expenditures and expenses of the nature mentioned in this Paragraph, and such other expenses and fees as may be incurred in the protection of the Premises and rents and income therefrom and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceedings affecting this Mortgage, the Note or the Premises, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit proceeding, or otherwise in dealing specifically therewith, shall be so much additional indebtedness and shall be immediately due and payable by Mortgagor, with interest thereon until paid at the rate provided in Section 2.4 of the Credit Agreement for maturity or acceleration (the "Default Rate").

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NINTH: When the Indebtedness shall become due, whether by acceleration or otherwise, or if Mortgagee has a right to institute foreclosure proceedings, Mortgagor shall, forthwith upon demand of Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to be placed in possession of the Premises as provided in the Act, and Mortgagee, in its discretion and pursuant to court order, may enter upon and take and maintain possession of all or any part of the Premises, together with all documents, books, records, papers, and accounts of Mortgagor or the then owner of the Premises relating thereto, and may exclude Mortgagor, such owner, and any agents and servants thereof wholly therefrom and may, on behalf of Mortgagor or such owner, or in its own name as Mortgagee and under the powers herein granted:

(a) hold, operate, manage, and control all or any part of the Premises and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, legal or equitable, as Mortgagee may deem necessary to enforce the payment or security of the rents, issues, deposits, profits, and avails of the Premises, including without limitation actions for recovery of rent, actions in forcible detainer, and actions in distress for rent, all without notice to Mortgagor;

(b) cancel or terminate any lease or sublease of all or any part of the Premises for any cause or on any ground that would entitle Mortgagor to cancel the same;

(c) elect to disaffirm any lease or sublease of all or any part of the Premises made subsequent to this Mortgage without Lender's prior written consent;

(d) extend or modify any then existing leases and make new leases of all or any part of the Premises, 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 loan evidenced by the Note and the issuance of a deed to a purchaser 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, all persons whose interests in the Premises are subject to the lien hereof, and the purchaser at any foreclosure sale, notwithstanding any redemption from sale, reinstatement, discharge of the Indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser;

(e) make all necessary or proper repairs, decoration renewals, replacements, alterations, additions, betterments, and improvements in connection with the

Premises as may seem judicious to Mortgagee, to insure and reinsure the Property and all risks incidental to Lender's possession, operation, and management thereof, and to receive all rents, issues, deposits, profits, and avails therefrom; and

(f) apply the net income, after allowing a reasonable fee for the collection thereof and for the management of the Premises, to the payment of Taxes, Premiums and other charges applicable to the Premises, or in reduction of the Indebtedness in such order and manner as Mortgagee shall select.

Without limiting the generality of the foregoing, Mortgagee shall have all power, authority and duties as provided in the Act. Nothing herein contained shall be construed as constituting Mortgagee a mortgagee in possession in the absence of the actual taking of possession of the Premises.

TENTH: Upon the filing of a complaint to foreclose this Mortgage or at any time thereafter, the court in which such complaint is filed may appoint upon petition of Mortgagee, and at Lender's sole option, a receiver of the Premises pursuant to the Act. Such appointment may be made either before or after sale, without notice, without regard to 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 Mortgagee hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have all powers and duties prescribed by the Act, including the power to make leases to be binding upon all parties, including the mortgagor, the purchaser at a sale pursuant to a judgment of foreclosure and any person acquiring an interest in the Premises after entry of a judgment of foreclosure, all as provided in the Act. In addition, such receiver shall also have the power to extend or modify any then existing leases, which extensions and modifications may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Note and beyond the date 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 provisions to be contained therein, shall be binding on Mortgagor and all the persons whose interest in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption, reinstatement, discharge of the Indebtedness, satisfaction of any foreclosure judgment, or issuance of any certificate of sale or deed to any purchaser. In addition, such receiver shall have the power to collect the rents,

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issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits, and such receiver shall have 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 may, from time to time, authorize the receiver to apply the net income from the Premises in payment in whole or in part of: (a) the Indebtedness or the indebtedness secured by a 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 sale; or (b) the deficiency in case of a sale and deficiency.

ELEVENTH: Except to the extent otherwise required by the Act, the proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: First, all items which under the terms hereof constitute Indebtedness additional to the principal and interest evidenced by the Note in such order as Mortgagee shall elect with interest thereon as herein provided; and Second, all principal and interest remaining unpaid on the Note in such order as Mortgagee shall elect; and lastly any surplus to Mortgagor and its successors and assigns, as their rights may appear.

TWELFTH: In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any Insurance Policy, if not applied in rebuilding or restoring the Improvements, as aforesaid, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. The foreclosure decree may provide that the mortgagee's clause attached to each of the casualty Insurance Policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said casualty Insurance Policies making the loss thereunder payable to said decree creditors. In the event of foreclosure sale, Mortgagee may, without the consent of Mortgagor, assign any insurance policies to the purchaser at the sale, or take such other steps as Mortgagee may deem advisable to protect the interest of such purchaser.

THIRTEENTH: To the full extent permitted by law, Mortgagor agrees that it will not at any time or in any

manner whatsoever take any advantage of any stay, exemption or extension law or any so-called "Moratorium Law" now or any time hereafter in force, nor take any advantage of any law now or hereafter in force providing for the valuation or appraisement of the Premises, or any part thereof, prior to any sale thereof to be made pursuant to any provisions herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or claim or exercise any rights under any statute now or hereafter in force to redeem the property or any part thereof, or relating to the marshalling thereof, on foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights it have to require that the Premises be sold as separate tracts or units in the event of foreclosure. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption under the Act, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and such other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Mortgagor agrees that it will not, by involving or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Mortgagee, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note. Mortgagor acknowledges that the premises do not constitute agricultural real estate as defined in Section 15-1201 of the Act or residential real estate as defined in Section 15-1219 of the Act.

FOURTEENTH: In case of Default, either before or after acceleration of the Indebtedness of the foreclosure of the lien hereof, Mortgagee may, but shall not be required to, make any payment or perform any act herein required of Mortgagor (whether or not Mortgagor is personally liable therefor) in any manner deemed expedient to Mortgagee. Mortgagee may, but shall not be required to, complete construction, furnishing and equipping of any improvements and rent, operate and manage the Premises and any improvements and pay operating costs, including management fees, of every kind in connection therewith, so that the Premises shall be useable for their intended purposes. All

such monies paid and expenses incurred, including attorney's fees, shall be so much additional Indebtedness, whether or not the Indebtedness, as a result thereof, shall exceed the face amount of the Note, and shall become immediately due with interest thereon at the Default Rate. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any Default now shall the provisions of this Paragraph or any exercise by Mortgagee of its rights hereunder prevent any default from constituting a Default. Mortgagee, in making any payment hereby authorized (a) relating to Taxes, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion or management of the Premises or the payment of operating costs thereof, may do so in such amounts and to such persons as Mortgagee may deem appropriate. Nothing contained herein shall be construed to require Mortgagee to advance monies for any purpose.

FIFTEENTH: Each right herein or in any of the other Loan Documents conferred upon Mortgagee is cumulative and in addition to every other right provided by law or in equity, and Mortgagee may exercise each such right in any manner deemed expedient to Mortgagee. Lender's exercise or failure to exercise any right shall not be deemed a waiver of that right or any other right or a waiver of any default. Except as otherwise specifically required herein, Mortgagee is not required to give notice of its exercise of any right given to it by this Mortgage.

SIXTEENTH: In the event the mortgaged property, or any part thereof, is taken under power of eminent domain, or by condemnation, the entire proceeds of the award shall be paid directly to Mortgagee, its successors and assigns, and applied upon the Indebtedness in whatever manner Mortgagee deems advisable. Mortgagee is hereby appointed attorney-in-fact and as such is duly authorized and empowered to receive, receipt for, discharge and satisfy any such award and judgment, whether joint or several, on behalf of Mortgagor, his legal representatives and assigns, which said receipt, discharge and satisfaction shall be as legally effective and binding as if given directly by Mortgagor, and his successors in interest.

SEVENTEENTH: Said Mortgagor shall pay to said Mortgagee, its successors and assigns, a reasonable attorney's fee, in addition to all other legal costs, as often as any proceeding is taken in equity to foreclose this

Mortgage for defaults in any of its covenants, or in any other action or proceeding affecting the rights either of the Mortgagor or Mortgagee in the mortgaged property, whether such action or proceeding progresses to judgment or not, which sum shall be an additional lien upon said premises.

EIGHTEENTH: The debt secured by this Mortgage shall become due and payable forthwith without notice, at the option of the Mortgagee, if the Mortgagor shall convey, assign, or transfer said premises and property or any part thereof by deed, land contract, or other instrument, or if the title thereto shall become vested in any other person or persons in any manner whatsoever. The Mortgagee may enter into any contract or agreement in respect to the Indebtedness with any subsequent purchaser without in any manner vitiating or discharging the Mortgagor's personal liability hereunder or upon the debt hereby secured.

NINETEENTH: As further and additional security for the obligation herein and hereby secured, Mortgagor, jointly, severally and individually, hereby gives and grants to Mortgagee, its successors and assigns, a lien on all personal property of any nature whatsoever, at any time in the possession of the Mortgagee, belonging to the Mortgagor, his legal representatives and assigns, and any balance of deposit account with said Mortgagee, which may be applied by said Mortgagee in event of default hereunder upon said Indebtedness in such manner as said Mortgagee, in its discretion, deems advisable.

TWENTIETH: If more than one natural person joins in the execution hereof as Mortgagor, or any person of female sex, or if this instrument be executed by a body corporate, or any other legal body, the pronouns and relative words herein used will read as if written in plural, feminine or neuter gender, respectively.

TWENTY-FIRST: If any governmental law or regulation shall hereafter impose any tax or assessment upon mortgages or debts secured by mortgages, Mortgagee, its successors and assigns, shall have the right to declare the entire principal balance secured hereby, and accrued interest thereon, immediately due and payable unless Mortgagor shall promptly pay such tax or assessment but only to the extent that such payment shall not render this instrument usurious.

TWENTY-SECOND: The proceeds of the Note will be used for the purposes specified in Ill. Rev. Stat. ch. 17, para. 6404 (1987), and the principal obligation secured hereby constitutes a "business loan" coming within the definition and purview of said section.

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TWENTY-THIRD: Notwithstanding anything to the contrary which may be contained in this Mortgage, the Mortgagor represents, covenants and warrants to the Mortgagee as follows:

(a) At all times since the vesting of title to the Premises in the Mortgagor and, to Mortgagor's knowledge, at all times prior to the vesting of title to the Premises in the Mortgagor there are no and have been no violations of the Relevant Environmental Laws (as hereinafter defined) at the Premises and no consent orders have been entered with respect thereto.

(b) At all times since the vesting of title to the Premises in the Mortgagor, and to Mortgagor's knowledge, at all times prior to the vesting of title to the Premises in the Mortgagor, there are no and have been no Hazardous Wastes (as hereinafter defined) or Asbestos (as hereinafter defined) either at, upon, under or within, or discharged or emitted at or from, the Premises including, but not limited to, the air, soil, surface, and ground water; no Hazardous Wastes or Asbestos have flowed, blown or otherwise become present at the Premises from neighboring land; and no Hazardous Wastes or Asbestos have been removed from the Premises other than those Hazardous Wastes which are necessary and commercially reasonable for the conduct of the Mortgagor's business operated on the Premises and which Hazardous Wastes have been, at all times prior to the date hereof, and at all times hereafter shall be, handled and disposed of in compliance with all Relevant Environmental Laws and in a commercially reasonable manner by the Mortgagor.

(c) The Mortgagor is not aware of any claims or litigation, and has not received any communication from any person (including any governmental authority), concerning the presence or possible presence of Hazardous Wastes or Asbestos at the Premises or concerning any violation or alleged violation of the Relevant Environmental Laws respecting the Mortgaged Property. The Mortgagor shall promptly notify the Mortgagee of any such claims and shall furnish Mortgagee with a copy of any such communications received after the date of this Mortgage.

(d) The Mortgagor shall notify Mortgagee promptly and in reasonable detail in the event that the Mortgagor becomes aware of the presence of Hazardous Wastes (other than those Hazardous Wastes which are necessary and commercially reasonable for the conduct of the Mortgagor's business operated on the Premises

and which Hazardous Wastes have been, at all times prior to the date hereof, and at all times hereafter shall be, handled and disposed of in compliance with all Relevant Environmental Laws and in a commercially reasonable manner by the Mortgagor) or Asbestos or a violation of the Relevant Environmental Laws at the Premises.

(e) The Mortgagor shall ensure that the Premises complies and continues to comply in all respects with the Relevant Environmental laws.

(f) Should the Mortgagor use or permit the Premises to be used or maintained so as to subject the Mortgagor, the Mortgagee or the user of the Premises to a claim of violation of the Relevant Environmental Laws (unless contested in good faith by appropriate proceedings), the Mortgagor shall immediately cease or cause a cessation of such use or operations and shall remedy and fully cure any conditions arising therefrom, at its own cost and expense.

(g) (i) The "Relevant Environmental Laws," as referred to herein, shall mean all applicable federal, state and local laws, rules, regulations, orders, judicial determinations, and decisions or determinations by any judicial, legislative or executive body of any governmental or quasi-governmental entity, whether in the past, the present or the future, with respect to: (A) the installation, existence, or removal of, or exposure to, Asbestos on the Mortgaged Property; (B) the existence on, discharge from, or removal from the Mortgaged Property of Hazardous Wastes; and (C) the effects on the environment of the Mortgaged Property or of any activity now, previously, or hereafter conducted on the Mortgaged Property. The Relevant Environmental Laws shall include, but not be limited to, the following: (1) the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Sections 9601, et seq.; the Superfund Amendments and Reauthorization Act, Public Law 99-499, 100 Stat. 1613; the Resource Conservation and Recovery Act, 42 U.S.C. Sections 6901, et seq.; National Environmental Policy Act, 42 U.S.C. Section 4321; the Safe Drinking Water Act, 42 U.S.C. Sections 300F, et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801; the Federal Water Pollution Control Act, 33 U.S.C. Sections 1251, et seq.; the

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Clear Air Act, 42 U.S.C. Sections 7401, et seq.; and the regulations promulgated in connection therewith; (2) Environmental Protection Agency regulations pertaining to Asbestos (including 40 C.F.R. Part 61, Subpart M); Occupational Safety and Health Administration regulations pertaining to Asbestos (including 29 C.F.R. Sections 1910.001 and 1926.58); and (3) any state and local laws and regulations pertaining to Hazardous Wastes and/or Asbestos;

(ii) "Asbestos," as referred to herein, shall have the meanings provided under the Relevant Environmental Laws, and shall include, but not be limited to, asbestos fibers and friable asbestos, as such terms are defined under the Relevant Environmental Laws; and

(iii) "Hazardous Wastes," as referred to herein shall mean any of the following as defined by the Relevant Environmental Laws: solid wastes; toxic or hazardous substances, wastes, or contaminants (including, without limitation, polychlorinated biphenyls ("PCB's"), paint containing lead, and urea formaldehyde foam insulation; and discharges of sewage or effluent.

(h) At its sole cost and expense, the Mortgagor shall:

(i) Pay immediately when due the cost of compliance with the Relevant Environmental Laws.

(ii) Keep the Premises free of any lien imposed pursuant to the Relevant Environmental Laws.

(i) In the event that the Mortgagor fails to comply with the requirements of Sections a through h herein, after notice to the Mortgagor and the earlier of the expiration of any applicable cure period hereunder or the expiration of the cure period permitted under the Relevant Environmental Laws, if any, Mortgagee may, but shall not be obligated to, exercise its right to do one or more of the following: (A) elect that such failure constitutes a default under this Mortgage; and (B) take any and all actions, at the Mortgagor's expense, that Mortgagee deems necessary or desirable to cure said failure of compliance.

Any costs incurred pursuant to this Section i or Section j herein shall become immediately due and

payable without notice and with interest thereon at the Legal Rate as defined in the Credit Agreement, and the amount thereof, including any such interest, shall, if incurred prior to the foreclosure of this Mortgage or the delivery of a deed in lieu of foreclosure, be added to any amounts owing under the Guarantee, as applicable, and shall be secured by this Mortgage.

(j) Mortgagee shall not be liable for and the Mortgagor shall immediately pay to Mortgagee when incurred and shall indemnify, defend and hold Mortgagee harmless from and against, all loss, cost, liability, damage and expense (including, without limitation, attorneys' fees and costs incurred in the investigation, defense and settlement of claims) that the Mortgagee may suffer or incur (as holder of this Mortgage, as mortgagee in possession or as successor in interest to the Mortgagor as owner of the Premises by virtue of foreclosure or acceptance of a deed in lieu of foreclosure) as a result of or in connection in any way with any of the Relevant Environmental Laws (including the assertion that any lien existing pursuant to the Relevant Environmental Laws takes priority over the lien of this mortgage, any environmental assessment or study from time to time undertaken or requested by the Mortgagor or breach of any covenant or undertaking by the Mortgagor herein; provided, however, the Mortgagor shall have no obligation hereunder to the Mortgagee with respect to indemnified liabilities arising solely from the gross negligence or willful misconduct of the Mortgagee.

(k) The provisions of Sections a through j shall survive the foreclosure of this Mortgage and/or the delivery of a deed in lieu of foreclosure.

TWENTY-FOURTH: If the Mortgagee shall incur or expend any sums, including reasonable attorney's fees, whether in connection with any action or proceeding or not, to sustain the lien of this Mortgage or its priority, or to protect or enforce any of its rights hereunder, or to recover any Indebtedness hereby secured, or for any title examination or title insurance policy relating to the title to the premises, all such sums shall on notice and demand be paid by the Mortgagor, together with the interest thereon at the highest rate charged by Mortgagee to Mortgagor on any Indebtedness secured hereby, and shall be a lien on the premises, prior to any right or title to, interest in, or claim upon, the premises subordinate to the lien of this Mortgage, and shall be deemed to be secured by this Mortgage; action or proceeding to foreclose this Mortgage, or to recover the debt secured thereby, the provisions of

law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

TWENTY-FIFTH: That, in case of any sale under this Mortgage by virtue of judicial proceedings or otherwise, the premises may be sold in one parcel and as an entirety, or in such parcels, manner or order as the Mortgagee in its sole discretion may elect.

TWENTY-SIXTH: The pace of negotiation, execution, and delivery of this Mortgage and the location of the Property being the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State, without reference to the conflicts of law principles of that State. If any provision in this Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Act. If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon default of the Mortgagor which are more limited than the rights that would otherwise be vested in Mortgagee under the Act in the absence of said provision, Mortgagee shall be vested with the rights granted in the Act to the full extent permitted by law.

TWENTY-SEVENTH: This Mortgage is given to secure a "Revolving Credit" loan as defined in Illinois Revised Statutes, Ch. 17, Section 6405 and secures not only the indebtedness from the Mortgagor to the Mortgagee existing on the date hereof but all such future advances, whether such advances are obligatory or to be made at the option of the Mortgagee, or otherwise, as are made within twenty years from the date of this Mortgage, to the same extent as is such future advances were made on the date of the execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness secured by this Mortgage may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed a maximum principal amount of $26,000,000.00, plus interest thereon, and any disbursements made by Mortgagee for the payment of taxes, special assessments, or insurance on the above described real estate, with interest on such disbursements.

IN WITNESS WHEREOF, said Mortgagor has hereunder set his hand and seal the day and year first above written.

Signed sealed and delivered
in the presence of:

MERLIN MUFFLER SHOPS, INC.

By: Lowell Robinson, Jr.
Lowell Robinson, Jr.
Its Vice President

88554515

State of Michigan)
: ss.
County of Wayne)

The foregoing instrument was acknowledged before me this 30th day of November, 1988 by Lowell Robinson, Jr., Vice President of Merlin Muffler Shops, Inc., an Illinois corporation, on behalf of the corporation.

Suane A. Redd

Notary Public, Wayne County, Michigan
My commission will expire: January 21, 1991

SUANE A. REDD
Notary Public, Wayne County, Mich.
Acting In _____ County, Mich.
My Commission Expires January 21, 1991

This instrument drafted by
and, when recorded, return to:

Catherine Riasterer
Miller, Canfiled, Paddock and Stone
2500 Comerica Building
Detroit, Michigan 48226

BOX 333

x:/22751/1418/dwp11860.txt

88554515

SCHEDULE A

Parcel 1

Street Address: 60012 West 159th Street
Oak Forest, Illinois

Legal Description:

THE EAST 100 FEET (AS MEASURED ON THE SOUTH LINE THEREOF) OF OUTLOT "A" (EXCEPT THE WEST 400 FEET THEREOF) IN LAGRANDE VISTA UNIT 3, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTH WEST 1/4 OF SECTION 17, TOWNSHIP 36 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Parcel 2

28 17 312 057

Street Address: 3740 W. 147th Street
Midlothian, Illinois

Legal Description:

LOTS 20, 21 AND 22 (EXCEPT THE SOUTH 17 FEET OF SAID LOTS) IN BLOCK 26, IN ARTHUR T. MCINTOSH AND COMPANY'S HOME ADDITION TO MIDLOTHIAN IN SECTION 11, TOWNSHIP 36 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

28 11 127 026

Parcel 3

Owner:

Street Address: 16142 South Halstead Street
Harvey, Illinois

Legal Description:

LOT 5 (EXCEPT THE NORTH 20 FEET THEREOF) AND ALL OF LOTS 6, 7 AND 8 IN BLOCK 20 IN PERCY WILSON'S FIRST ADDITION TO EAST CENTER A SUBDIVISION IN THE SOUTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 20, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

29 20 215 036
29 20 215 037
29 20 215 038

29 20 215 042

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