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FIRST OPEN END LEASEHOLD MORTGAGE,
SECURITY AGREEMENT, FINANCING STATEMENT
AND ASSIGNMENT OF RENTS

THIS MORTGAGE ("Mortgage") dated as of the 1st day of June, 1989, made by LAMINATING TECHNOLOGY, INC., an Illinois corporation ("Mortgagor"), having an office at 1850 Skokie Highway, Northbrook, Illinois 60062, in favor of ROYNAT, INC., a Canadian corporation ("the Mortgagee"), with an office at Suite 1040, One First Canadian Place, Toronto, Ontario, Canada M5X 1B1.

W I T N E S S E T H:

WHEREAS, pursuant to that certain Debenture of even date herewith ("Financing Agreement"), executed and delivered by Reagal Holdings Inc., an Ontario corporation (the "Borrower") in favor of Mortgagee, as such Financing Agreement may be extended, supplemented, modified, or restated, the Mortgagee may make a loan to Borrower (the "Loan") in the principal amount of One Million Four Hundred Thousand and No/100 United States Dollars (U.S. \$1,400,000) (the Financing Agreement and all other documents, instruments and agreements entered into in connection therewith are hereinafter sometimes jointly referred to as "Loan Documents"); and

WHEREAS, the Loan shall mature on the dates and shall bear interest at the rates specified in the Financing Agreement; and

WHEREAS, the Mortgagee has required as a condition, among others, to its execution and delivery of the Financing Agreement, that the Mortgagor execute and deliver to the Mortgagee that certain Guaranty and Security Agreement of even date herewith (the "Guaranty"), pursuant to which, among other things, the Mortgagor has agreed to guaranty the Borrower's payment and performance obligations under the Financing Agreement; and

This document was prepared by
and after recording should be
returned to:

Michael L. Gold
Sidley & Austin
One First National Plaza
Chicago, Illinois 60603

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WHEREAS, the Mortgagee has further required that Mortgagor execute and deliver this Mortgage to Mortgagee as a condition, among others, to Mortgagee's execution and delivery of the Financing Agreement and in order to secure the prompt and complete payment, observance and performance of:

(1) The principal amount, together with interest thereon, of the Loan and all other present and future loans made by the Mortgagee to Borrower, including, without limitation, the reborrowing of principal previously repaid under the Loan; and

(2) All other present and future "Liabilities" as defined in and arising under the Guaranty, together with interest thereon; and

(3) All other payment and performance obligations of Mortgagor related to this Mortgage, together with interest thereon;

(all such obligations and liabilities being hereinafter referred to collectively as the "Liabilities"); and

WHEREAS, the Liabilities secured hereby shall not exceed an aggregate principal amount, at any one time outstanding of Three Million and No/100 United States Dollars (U.S. \$3,000,000), provided, that the foregoing limitation shall apply only to the lien upon the leased estate created by this Mortgage, and it shall not in any manner limit, affect or impair any grant of a security interest or other right in favor of the Mortgagee, under the provisions of any other mortgage, deed of trust or security agreement at any time executed by Mortgagor;

NOW, THEREFORE, in consideration of the premises contained herein and to secure payment of the Liabilities and in consideration of One Dollar (\$1.00) in hand paid, receipt whereof is hereby acknowledged, Mortgagor does hereby grant, remise, release, alien, convey, mortgage and warrant to Mortgagee, its successors and assigns and grant a security interest to Mortgagee, its successors and assigns, in all of Mortgagor's interest as lessee or tenant under that certain Lease (the "Lease") of the real estate (the "Land") in Cook County, Illinois, described on Exhibit A, attached hereto and by this reference made a part hereof, which interest in the Lease, together with all right, title and interest, if any, which Mortgagor may now have or hereafter acquire in and to all improvements, buildings and structures thereon of every nature whatsoever, is herein called the "Premises."

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TOGETHER WITH all right, title and interest, if any, including any after-acquired right, title and interest, and including any right of use or occupancy, which Mortgagor may now have or hereafter acquire in and to (a) all easements, rights of way, gores of land or any lands occupied by streets, ways, alleys, passages, sewer rights, water courses, water rights and powers, and public places adjoining said Land, and any other interests in property constituting appurtenances to the Premises, or which hereafter shall in any way belong, relate or be appurtenant thereto and, (b) all hereditaments, gas, oil, minerals, and easements, of every nature whatsoever, located in or on the Premises and all other rights and privileges thereunto belonging or appertaining and all extensions, additions, improvements, betterments, renewals, substitutions and replacements to, or of any of the rights and interests described in subparagraphs (a) and (b) above (hereinafter the "Property Rights").

TOGETHER WITH all right, title and interest, if any, which Mortgagor may now have or hereafter acquire in and to fixtures and appurtenances of every nature whatsoever now or hereafter located in, on or attached to, and used or intended to be used in connection with, or with the operation of, the Premises, including, but not limited to (a) all apparatus, machinery and equipment of Mortgagor, (b) all extensions, additions, improvements, betterments, renewals, substitutions and replacements to or of any of the foregoing, as well as all personal property and equipment of every nature whatsoever now or hereafter relocated in or on the Premises, including but not limited to (c) all screens, window shades, blinds, wainscoting, storm doors and windows, floor coverings, and awnings of Mortgagor; (d) all apparatus, machinery, equipment and appliances of Mortgagor not included as Fixtures; (e) all items of furniture, furnishings, and personal property of Mortgagor; and (f) all extensions, additions, improvements, betterments, renewals, substitutions and replacements to or of any of the foregoing (c)-(e) (the "Personal Property"). It is mutually agreed, intended and declared, that the Premises and all of the Property Rights and any Personal Property which constitutes fixtures (referred to collectively herein as the "Real Property") shall, so far as permitted by law, be deemed to form a part and parcel of the Land and for the purpose of this Mortgage to be real estate and covered by this Mortgage. It is also agreed that if any of the property herein mortgaged is of a nature so that a security interest therein can be perfected under the Uniform Commercial Code, this instrument shall constitute a security agreement, fixture filing and financing statement, and Mortgagor agrees to execute, deliver and file or refile any financing statement, continuation statement, or other instruments mortgagee may reasonably require from time to time to perfect or renew such

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security interest under the Uniform Commercial Code. To the extent permitted by law, this instrument, upon recording or registration in the real estate records of the property office, shall constitute a "fixture-filing" within the meaning of Sections 9-313 and 9-402 of the Uniform Commercial Code. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law, or, as to that part of the security in which a security interest may be perfected under the Uniform Commercial Code, by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code, all at the Mortgagee's sole election.

TOGETHER WITH all right, title and interest, if any, which Mortgagor may now have or hereafter acquire in and to (i) all the estate, right, title and interest of the Mortgagor, in and to all judgments, insurance proceeds, awards of damages and settlements resulting from condemnation proceedings or the taking of the Real Property, or any part thereof, under the power of eminent domain or for any damage (whether caused by such taking or otherwise) to the Real Property, or any part thereof, or to any rights appurtenant thereto, and all proceeds of any sales or other dispositions of the Real Property or any part thereof; and (except as otherwise provided herein or in the Financing Agreement or in the Guaranty) the Mortgagee is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor, and to apply the same as provided in the Financing Agreement; and (ii) all contract rights, general intangibles, actions and rights in action, relating to the Real Property including, without limitation, all rights to insurance proceeds and unearned premiums arising from or relating to damage to the Real Property; and (iii) all proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Real Property. (The rights and interests described in this paragraph shall hereinafter be called the "Intangibles").

As additional security for the Liabilities secured hereby, Mortgagor does hereby pledge and assign to Mortgagee from and after the date hereof (including any period of redemption), primarily and on a parity with said real estate, and not secondarily, all right, title and interest, if any, which Mortgagor may now have or hereafter acquire in and to the rents, issues and profits of the Real Property and all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing (including all deposits of money as advance rent, for security or as earnest money or as down payment for the purchase of all or any part of the Real Property) the "Rents") under any

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and all present and future subleases, contracts or other agreements relative to the ownership or occupancy of all or any portion of the Real Property and, except to the extent such a transfer or assignment is not permitted by the terms thereof, does hereby transfer and assign to Mortgagee all such subleases and agreements (including all Mortgagor's rights under any contracts for the sale of any portion of the Mortgaged Property and all revenues and royalties under any oil, gas and mineral leases relating to the Real Property) (the "Subleases"). Mortgagee hereby grants to Mortgagor the right to collect and use the Rents as they become due and payable under the Subleases, but not more than one (1) month in advance thereof, until an "event of default" (as defined in the Financing Agreement) (hereinafter an "Event of Default") has occurred provided that the existence of such right shall not operate to subordinate this assignment to any subsequent assignment, in whole or in part, by Mortgagor, and any such subsequent assignment shall be subject to the rights of the Mortgagee under this Mortgage. Mortgagor further agrees to execute and deliver such assignments of subleases or assignments of land sale contracts as Mortgagee may from time to time request. In the event of an Event of Default under the Financing Agreement (1) the Mortgagor agrees, upon demand, to deliver to the Mortgagee all of the Subleases with such additional assignments thereof as the Mortgagee may request and agrees that the Mortgagee may assume the management of the Real Property, and collect the Rents, applying the same upon the Liabilities in the manner provided in the Financing Agreement, and (2) the Mortgagor hereby authorizes and directs all tenants, purchasers or other persons occupying or otherwise acquiring any interest in any part of the Real Property to pay the Rents due under the Subleases to the Mortgagee upon request of the Mortgagee. Mortgagor hereby appoints Mortgagee as its true and lawful attorney in fact to manage said property and collect the Rents, with full power to bring suit for collection of the Rents and possession of the Real Property, giving and granting unto said Mortgagee and unto its agent or attorney full power and authority to do and perform all and every act and thing whatsoever requisite and necessary to be done in the protection of the security hereby conveyed, provided, however, that (i) this power of attorney and assignment of rents shall not be construed as an obligation upon said Mortgagee to make or cause to be made any repairs that may be needful or necessary and (ii) Mortgagee agrees that until such Event of Default as aforesaid, Mortgagee shall permit Mortgagor to perform the aforementioned management responsibilities. Upon Mortgagee's receipt of the Rents, at Mortgagee's option, it may pay: (1) reasonable charges for collection hereunder, costs of necessary repairs and other costs requisite and necessary during the continuance of this power of attorney and assignment of rents, (2) general and special taxes, insurance premiums, and (3) the

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balance of the Rents pursuant to the provisions of the Financing Agreement and the Guaranty. This power of attorney and assignment of rents shall be irrevocable until this Mortgage shall have been satisfied and released of record and the releasing of this Mortgage shall act as a revocation of this power of attorney and assignment of rents. Mortgagee shall have and hereby expressly reserves the right and privilege (but assumes no obligation) to demand, collect, sue for, receive and recover the Rents, or any part thereof, now existing or hereafter made, and apply the same in accordance with the provisions of the Financing Agreement and the Guaranty.

All of the mortgaged property described above, and each item of mortgaged property therein described, not limited to but including the Land, the Premises, the Property Rights, the Fixtures, the Real Property, the Intangibles, the Rents and the Subleases, is herein referred to as the "Mortgaged Property".

Nothing herein contained shall be construed as constituting the Mortgagee a mortgagee-in-possession in the absence of the taking of actual possession of the Mortgaged Property by the Mortgagee. Nothing contained in this Mortgage shall be construed as imposing on Mortgagee any of the obligations of the sublessor under any sublease of the Mortgaged Property in the absence of an explicit assumption thereof by Mortgagee. In the exercise of the powers herein granted to the Mortgagee, except as provided in the Financing Agreement, no liability shall be asserted or enforced against the Mortgagee, all such liability being expressly waived and released by Mortgagor. In the exercise of the powers herein granted to the Mortgagee, except as provided in the Financing Agreement, no liability shall be asserted or enforced against the Mortgagee, all such liability being expressly waived and released by Mortgagor.

TO HAVE AND TO HOLD the Mortgaged Property, properties, rights and privileges hereby conveyed or assigned, or intended so to be, unto Mortgagee, its beneficiaries, successors and assigns, forever for the uses and purposes herein set forth. Mortgagor hereby releases and waives all rights under and by virtue of the Homestead Exemption Laws, if any, of the State of Illinois (the "State") and Mortgagor hereby covenants, represents and warrants that, at the time of the unsealing and delivery of these presents, Mortgagor is lawfully possessed of the Mortgaged Property by virtue of the Lease as a good and perfect leasehold estate for the full term thereof, subject only to the full fee simple interest of the fee owner thereof to the extent set forth in the

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Lease and with lawful authority to sell, assign, convey and mortgage the same, and that the title to the Mortgaged Property is free and clear of all encumbrances, and Mortgagor will forever defend the same against all lawful claims.

The following provisions shall also constitute an integral part of this Mortgage:

1. Payment of Taxes on the Mortgage. Mortgagor agrees that, if the United States or any department, agency or bureau thereof or if the State or any of its subdivisions having jurisdiction shall at any time require documentary stamps to be affixed to the Mortgage or shall levy, assess, or charge any tax, assessment or imposition upon this Mortgage or the credit or indebtedness secured hereby or the interest of Mortgagee in the Premises or upon Mortgagee by reason of or as holder of any of the foregoing, then Mortgagor shall pay for such documentary stamps in the required amount and deliver them to Mortgagee or pay (or reimburse Mortgagee for) such taxes, assessments or impositions and, unless all such documentary stamps, taxes, assessments and impositions are paid or reimbursed by Mortgagor when and as they become due and payable, all sums hereby secured shall become immediately due and payable, at the option of Mortgagee, notwithstanding anything contained herein or in any law heretofore or hereafter enacted. Mortgagor agrees to exhibit to Mortgagee, at least annually and at any time upon request, official receipts showing payment of all taxes, assessments and charges which Mortgagor is required or elects to pay hereunder. Mortgagor agrees to indemnify Mortgagee against liability on account of such documentary stamps, taxes, assessments or impositions, whether such liability arises before or after payment of the Liabilities and regardless of whether this Mortgage shall have been released.

2. Subleases Affecting the Real Property. Mortgagor agrees faithfully to perform all of its obligations under all present and future subleases or other agreements relative to the occupancy of the Real Property at any time assigned to Mortgagee as additional security, and to refrain from any action or inaction which would result in termination of any such subleases or agreements or in the diminution of the value of the subleases or agreements or of the rents or revenues due thereunder. All future sublessees under any sublease of the Real Property, or any part thereof, made after the date of recording of this Mortgage

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shall, at Mortgagee's option and without any further documentation, attorn to Mortgagee, as sublessor if for any reason Mortgagee becomes sublessor thereunder, and, upon demand, to pay rent to Mortgagee and Mortgagee shall not be responsible under such sublease for matters arising prior to Mortgagee becoming sublessor thereunder.

3. Use of the Real Property. Mortgagor agrees that it shall not permit the public to use the Real Property in any manner that might tend, in Mortgagee's reasonable judgment, to impair Mortgagor's leasehold interest in such property or any portion thereof, or to make possible any claim or claims of easement by prescription or of implied dedication to public use.

4. Indemnification. Mortgagor shall not use or permit the use of any part of the Real Property for an illegal purpose, including, without limitation, the violation of any environmental laws, statutes, codes, regulations or practices. Without limiting any indemnification Mortgagor has granted in the Financing Agreement, Mortgagor agrees to indemnify and hold harmless Mortgagee from and against any and all losses, suits, obligations, fines, damages, judgments, penalties, claims, charges, costs and expenses (including reasonable attorneys' and paralegals' fees, court costs and disbursements) which may be imposed on, incurred or paid by or asserted against the Real Property by reason or on account of, or in connection with the (i) construction, reconstruction or alteration of the Real Property, (ii) any negligence or misconduct of the Mortgagor, any lessee of the Real Property, or any of their respective agents, contractors, subcontractors, servants, employees, licensees or invitees, (iii) any accident, injury, death or damage to any person or property occurring in, on or about the Real Property or any street, drive, sidewalk, curb or passageway adjacent thereto, or (iv) any other transaction arising out of or in any way connected with the Mortgaged Property.

5. Insurance. Mortgagor shall, at its sole expense, obtain for, deliver to, assign and maintain for the benefit of Mortgagee, until the Liabilities are paid in full, insurance policies as specified in the Financing Agreement. In the event of a casualty loss, the net insurance proceeds from such insurance policies shall be paid and applied as specified in the Financing Agreement.

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6. Condemnation Awards. Mortgagor hereby assigns to Mortgagee, as additional security, all awards of damage resulting from condemnation proceedings or the taking of or injury to the Real Property for public use, and Mortgagor agrees that the proceeds of all such awards shall be paid and applied as specified in the Financing Agreement and in the Guaranty.

7. Remedies. Subject to the provisions of the Guaranty, upon the occurrence of an Event of Default under the terms of the Financing Agreement, in addition to any rights and remedies provided for in the Guaranty, and to the extent permitted by applicable law, the following provisions shall apply:

(a) Mortgagee's Power of Enforcement. It shall be lawful for Mortgagee to (i) immediately sell the Mortgaged Property either in whole or in separate parcels, as prescribed by the State law, under power of sale, which power is hereby granted to Mortgagee to the full extent permitted by the State law, and thereupon, to make and execute to any purchaser(s) thereof deeds of conveyance pursuant to applicable law or (ii) immediately foreclose this Mortgage by judicial action. The court in which any proceeding is pending for the purpose of foreclosure of this Mortgage may, at once or at any time thereafter, either before or after sale, without notice and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the Liabilities secured hereby, and without regard to the then value of the Mortgaged Property or the occupancy thereof as a homestead, appoint a receiver (the provisions for the appointment of a receiver and assignment of rents being an express condition upon which the Loan, hereby secured is made) for the benefit of Mortgagee, with power to collect the Rents, due and to become due, during such foreclosure suit and the full statutory period of redemption notwithstanding any redemption. The receiver, out of the Rents when collected, may pay costs incurred in the management and operation of the Real Property, prior and subordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due or thereafter accruing, and may make and pay for any necessary repairs to the Real Property, and may pay all or any part of the Liabilities or other sums secured hereby or any deficiency decree entered in such foreclosure proceedings. Upon or at any time after the filing of a suit to foreclose this Mortgage, the court in which such suit is filed shall have full power to enter an order placing Mortgagee in possession of the Real Property with the same power granted to a receiver pursuant to this subparagraph and with all other rights and privileges of a mortgagee-in-possession under applicable law.

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(b) Mortgagee's Right to Enter and Take Possession, Operate and Apply Income. Mortgagee shall, at its option, have the right, acting through its agents or attorneys, either with or without process of law, forcibly or otherwise, to enter upon and take possession of the Real Property, expel and remove any persons, goods, or chattels occupying or upon the same, to collect or receive all the Rents, and to manage and control the same, and to sublease the same or any part thereof, from time to time, and, after deducting all reasonable attorneys' fees and expenses, and all reasonable expenses incurred in the protection, care, maintenance, management and operation of the Real Property, distribute and apply the remaining net income in accordance with the terms of the Financing Agreement or upon any deficiency decree entered in any foreclosure proceedings.

8. Application of the Rents or Proceeds from Foreclosure or Sale. In any foreclosure of this Mortgage by judicial action, or any sale of the Mortgaged Property by advertisement, in addition to any of the terms and provisions of the Guaranty, there shall be allowed (and included in the decree for sale in the event of a foreclosure by judicial action) to be paid out of the Rents or the proceeds of such foreclosure proceeding and/or sale:

(a) Liabilities. All of the Liabilities and other sums secured hereby which then remain unpaid; and

(b) Other Advances. All other items advanced or paid by Mortgagee pursuant to this Mortgage; and

(c) Costs, Fees and Other Expenses. All court costs, reasonable attorneys' and paralegals' fees and expenses, appraiser's fees, advertising costs, notice expenses, expenditures for documentary and expert evidence, stenographer's charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title guarantees, title insurance policies, Torrens certificates and similar data with respect to title which Mortgagee in the reasonable exercise of its judgment may deem necessary. All such expenses shall become additional Liabilities secured hereby when paid or incurred by Mortgagee in connection with any proceedings, including but not limited to probate and bankruptcy proceedings, to which Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness hereby secured or in connection with the preparations for the commencement of any suit for the foreclosure, whether or not

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actually commenced, or sale by advertisement. The proceeds of any sale (whether through a foreclosure proceeding or Mortgagee's exercise of the power of sale) shall be distributed and applied in accordance with the terms of the Financing Agreement.

9. Cumulative Remedies; Delay or Omission Not a Waiver. Each remedy or right of Mortgagee shall not be exclusive of but shall be in addition to every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise or omission to exercise any remedy or right accruing on the occurrence or existence of any Event of Default (as defined in the Financing Agreement) shall impair any such remedy or right or be construed to be a waiver of any such Event of Default or acquiescence therein, nor shall it affect any subsequent default of the same or different nature. Every such remedy or right may be exercised concurrently or independently and when and as often as may be deemed expedient by Mortgagee.

10. Mortgagee's Remedies against Multiple Parcels. If more than one property, lot or parcel is covered by this Mortgage, and if this Mortgage is foreclosed upon, or judgment is entered upon any Liabilities secured hereby, or if Mortgagee exercises its power of sale, execution may be made upon or Mortgagee may exercise its power of sale against any one or more of the properties, lots or parcels and not upon the others, or upon all of such properties or parcels, either together or separately, and at different times or at the same time, and execution sales or sales by advertisement may likewise be conducted separately or concurrently, in each case at Mortgagee's election.

11. No Merger. In the event of a foreclosure of this Mortgage or any other mortgage or deed of trust securing the Liabilities, the Liabilities then due the Mortgagee shall not be merged into any decree of foreclosure entered by the court, and Mortgagee may concurrently or subsequently seek to foreclose one or more mortgages or deeds of trust which also secure said Liabilities.

12. Notices. Except as otherwise provided herein, any notices, demands, consents, requests, approvals, undertakings or other instruments required or permitted to be given in connection with this Mortgage (and all copies of such notices or other instruments as set forth below) shall be in writing, and shall be deemed to have been properly given if hand-delivered or if mailed (effective three (3) business days following deposit thereof at any main or branch United States Post Office) by United States registered or certified mail, postage prepaid, return receipt

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requested, or if sent by a nationally recognized overnight delivery service, postage prepaid, (effective two (2) business days following deposit with such delivery service) addressed to the party so notified as follows:

if to Mortgagor:

Laminating Technology, Inc.
1850 Skokie Highway
Northbrook, Illinois 60062
Attn: Richard Locke

with a copy to:

Chapman & Cutler
111 West Monroe Street
Chicago, Illinois 60603
Attn: John A. Kujawa

if to Mortgagee:

RoyNat, Inc.
Suite 1040
One First Canadian Place
Toronto, Ontario, Canada M5X 1B1

with a copy to:

Sidley & Austin
One First National Plaza
Chicago, Illinois 60603
Attn: H. Bruce Bernstein

Mortgagor or Mortgagee shall, from time to time have the right to specify as the proper addressee and/or address for the purposes of this Mortgage any other party or address in the United States upon giving five (5) days' written notice thereof.

13. Extension of Payments. Mortgagor agrees that, without affecting the liability of any person for payment of the Liabilities secured hereby or affecting the lien of this Mortgage upon the Mortgaged Property or any part thereof (other than persons or property explicitly released as a result of the exercise by Mortgagee of its rights and privileges hereunder), Mortgagee may at any time and from time to time, on request of the Mortgagor, without notice to any person liable for payment of any Liabilities secured hereby, but otherwise subject to the provisions of the Financing Agreement and the Guaranty, extend the time, or agree to alter or amend the terms of payment of such

Liabilities. Mortgagor further agrees that any part of the security herein described may be released with or without consideration without affecting the remainder of the Liabilities or the remainder of the security.

14. Governing Law. Mortgagor agrees that this Mortgage is to be construed, governed and enforced in accordance with the laws of the State. Wherever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage.

15. Satisfaction of Mortgage. Upon full payment of all the Liabilities, at the time and in the manner provided in the Financing Agreement and the Guaranty, upon expiration of the Lease by passage of time, or upon satisfaction of the conditions set forth in the Guaranty for release of the Mortgaged Property from this Mortgage, this conveyance or lien shall be null and void and, upon demand therefor following such payment, or expiration of the Lease by passage of time, as the case may be, a satisfaction of mortgage or reconveyance of the Mortgaged Property shall promptly be provided by Mortgagee to Mortgagor.

16. Successors and Assigns Included in Parties. This Mortgage shall be binding upon the Mortgagor and upon the successors, assigns and vendees of the Mortgagor and shall inure to the benefit of the Mortgagee's successors and assigns; all references herein to the Mortgagor and to the Mortgagee shall be deemed to include their successors and assigns. Mortgagor's successors and assigns shall include, without limitation, a receiver, trustee or debtor-in-possession of or for the Mortgagor. Wherever used, the singular number shall include the plural, the plural shall include the singular, and the use of any gender shall be applicable to all genders.

17. Waiver of Appraisalment, Valuation, Stay, Extension and Redemption Laws. Mortgagor agrees, to the full extent permitted by law, that at all times following an Event of Default (as defined in the Financing Agreement), neither Mortgagor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, or extension laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser thereat, and Mortgagor, for itself and all who may

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at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety. To the full extent permitted by law, Mortgagor hereby waives any and all statutory or other rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person, acquiring any interest in or title to the Mortgaged Property subsequent to the date hereof.

18. Interpretation with Other Documents. Notwithstanding anything in this Mortgage to the contrary, in the event of a conflict or inconsistency between the Mortgage and the Financing Agreement or the Guaranty, the provisions of the Financing Agreement and the Guaranty shall govern.

19. Future Advances. The parties hereto intend that, in addition to any other debt or obligation secured hereby, this Mortgage shall secure unpaid balances of the Loan and other such extensions of credit made after this Mortgage is delivered to the Recorder of Deeds, Cook County, Illinois, whether made pursuant to an obligation of Mortgagee or otherwise. Such Liabilities and other extensions of credit may or may not be evidenced by notes executed pursuant to the Financing Agreement or by the Guaranty. All future advances will have the same priority as the original advance.

20. Invalid Provisions to Affect No Others. In the event that any of the covenants, agreements, terms or provisions contained in this Mortgage shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein or in the Financing Agreement or the Guaranty shall not be in any way affected, prejudiced or disturbed thereby. In the event that the application of any of the covenants, agreements, terms or provisions of this Mortgage is held to be invalid, illegal or unenforceable, those covenants, agreements, terms and provisions shall not be in any way affected, prejudiced or disturbed when otherwise applied.

21. Changes. Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. To the

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extent permitted by law, any agreement hereafter made by Mortgagor and Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

22. Required Notices. Mortgagor shall notify Mortgagee promptly of the receipt of any notice of default from any subtenant leasing all or any portion of the Mortgaged Property or from the landlord under the Lease.

23. Acquisition of Fee Interest. In the event Mortgagor acquires the fee interest in the Mortgaged Property, either pursuant to the terms of the Lease or otherwise, this Mortgage shall continue in full force and effect against the Mortgaged Property until its release of record, and this Mortgage shall become and remain a valid first fee mortgage lien on the Mortgaged Property.

24. General Covenants; Representations and Warranties. Mortgagor hereby covenants, represents and warrants that as of the date hereof and at all times during the term hereof: (a) the Lease is a valid and subsisting demise of the premises which it demises for the full term thereof; (b) there are no known existing defaults under the Lease on the part of Mortgagor and to the best of Mortgagor's knowledge, there are no existing defaults under the Lease on the part of any other person or persons obligated to act or refrain from acting by reason thereof; (c) Mortgagor has not assigned the Lease and to the best of Mortgagor's knowledge there are no other assignments of the Lease; (d) to the best of Mortgagor's knowledge the landlord under the Lease had good right to demise the premises therein demised; (e) to the best of Mortgagor's knowledge the Lease is in full force and effect without any condition pending which would by the passage of time ripen into a default; and (f) there have been no amendments to the Lease, except as stated herein.

25. Lease and Subleases affecting the Mortgaged Property. Mortgagor agrees faithfully to perform all of its obligations under the Lease, all future subleases, or other agreements relative to the occupancy of the Mortgaged Property at any time assigned to Mortgagee by separate instrument as additional security, and to refrain from any action or inaction which would result in termination of the Lease, or of any such other subleases, or agreements, or in the diminution of the value thereof or of the rents or revenues due thereunder. Mortgagor further agrees that any future sublease of the Mortgaged Property made after the date of recording of this Mortgage shall contain a covenant to the effect that such sublessee shall, at Mortgagee's option, agree to attorn to Mortgagee as sublessor and, upon

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demand, to pay rent to Mortgagee. Mortgagor shall not, without the prior written approval of Mortgagee in each instance, (i) make or enter into any sublease of all or any part of the Mortgaged Property; (ii) change, amend, modify, or assign in any manner whatsoever the Lease or any sublease; (iii) terminate or cancel, surrender or accept a surrender of, suffer or permit any cancellation, termination or surrender of, the Lease, any sublease, or any leasehold estate in any manner whatsoever; or (iv) receive, collect or accept or permit the receipt, collection or acceptance of any prepayment of rent or other charges under any sublease for more than one (1) month except that the Mortgagor may, at the execution of a sublease, accept any rent security deposits.

26. Time. Time is of the essence with respect to the provisions of this Mortgage.

27. Net Payments. All payments to be made by Mortgagor hereunder, including, without limitation, payment of principal and interest, shall be made without set-off or counterclaim, free of and without deduction for or on account of any present or future "Taxes" (as defined in the Financing Agreement), unless Mortgagor is compelled by law to make payments subject to such Taxes. In that event, the amount payable by Mortgagor to Mortgagee shall be increased so that, after making all required deductions or withholdings (including those applicable to additional amounts payable under this Section 27), Mortgagee shall receive an amount equal to the amount it would have received if no withholding or deduction had been made, and Mortgagor shall remit the full amount so deducted or withheld to the relevant taxation or other authority in accordance with applicable law and shall promptly furnish to Mortgagee evidence of payment and, within 30 days after receipt thereof, a certified copy of a receipt evidencing payment thereof.

28. Reporting Requirements. Mortgagor agrees to deliver to Mortgagee (a) within twenty (20) days after the end of each month, an income statement of the Mortgagor for such month, prepared in accordance with generally accepted accounting principles and (b) promptly upon request by Mortgagee, evidence of payment of rent and other amounts due under the Lease with respect to any period.

IN WITNESS WHEREOF, this instrument is executed as of the day and year first above written by _____ on behalf of Mortgagor (and said person hereby represents that he possesses full power and authority to execute this instrument).


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THE MORTGAGOR HEREBY DECLARES AND ACKNOWLEDGES THAT THE MORTGAGOR HAS RECEIVED, WITHOUT CHARGE, A TRUE COPY OF THIS MORTGAGE.

MORTGAGOR:

LAMINATING TECHNOLOGY, INC.
an Illinois corporation

By 
Its President

Attest:


Secretary

AFFIX CORPORATE SEAL

Property of Cook County Clerk's Office

89257556

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EXHIBIT A

That certain Lease dated September 15, 1983, by and between Cosmopolitan National Bank of Chicago, Trustee U/T/A #16374 (7/26/66); as landlord and Mortgagor as tenant, demising for a term ending April 30, 1994, the following described real estate in Cook County, Illinois:

Legal Description of the Land:

Attached.

Address of the Premises:

1850 Skokie Highway
Northbrook, Illinois 60062

Property Identification Numbers:

04-13-108-009
04-13-107-014
04-13-108-011
04-13-108-010
04-13-108-034
04-13-108-012
04-13-108-036
04-13-108-035
04-13-108-038
04-13-108-037

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EXHIBIT TO
FIRST OPEN END LEASEHOLD MORTGAGE,
SECURITY AGREEMENT, FINANCING STATEMENT
AND ASSIGNMENT OF RENTS

LEGAL DESCRIPTION
OF 1850 SKOKIE HIGHWAY NORTHBROOK, ILLINOIS

PARCEL 1:

LOTS 10, 11, 12 and 13 all in Block 7; and Lots 9, 10, 11, 12, 13, 14, 15, 16 and 17 all in Block 8 (except that part of Lots 13, 14, 15, 16 and 17 conveyed to the County of Cook by deed dated February 4, 1944 recorded as document No. 13235907) all in 1st addition to Skokie Highlands Subdivision, a subdivision of the North one-half of the North West one-quarter of Section 13, Township 42 North, Range 12, East of the Third Principal Meridian,

also

Parcel 2:

That part of the Easterly one-half of vacated Humphrey Avenue lying Westerly of and adjoining Lots 9, 10, 11, and 12 in Block 8 aforesaid and lying Southerly of the North Westerly line of said Lot 9 extended and Northerly of the Southerly line of said Lot 12 extended,

also

Parcel 3:

That part of the Westerly one-half of vacated Humphrey Avenue lying Easterly of and adjoining Lots 10, 11, 12 and 13 in Block 7 aforesaid and lying Southerly of the North westerly line of said Lot 10 extended and Northerly of the Southerly line of said Lot 13 extended,

also

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Parcel 4:

That vacated twenty foot (20') alley Westerly of and adjoining the aforesaid Lots 10, 11, 12 and 13 in Block 7 aforesaid and lying Southerly of the North Westerly line of said Lot 10 extended and Northerly of the Southerly line of said Lot 13 extended,

also

Parcel 5:

That part of vacated Scott Avenue lying Southerly of and adjoining Parcels 1 to 4, both inclusive, above, and lying Easterly of the Easterly right-of-way line of the Chicago, North Shore and Milwaukee Railroad and lying Westerly of a Southerly extension of the Westerly line of the premises conveyed to the County of Cook by document No. I3235907 being the Westerly line of Frontage Road all in 1st addition to Skokie Highlands Subdivision aforesaid in Cook County, Illinois,

situated in the Village of Northbrook, in the County of Cook, in the State of Illinois.

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COOK COUNTY RECORDER

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Box 276